The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, MARCH 23, 1935 VOLUME 72, NUMBER 4

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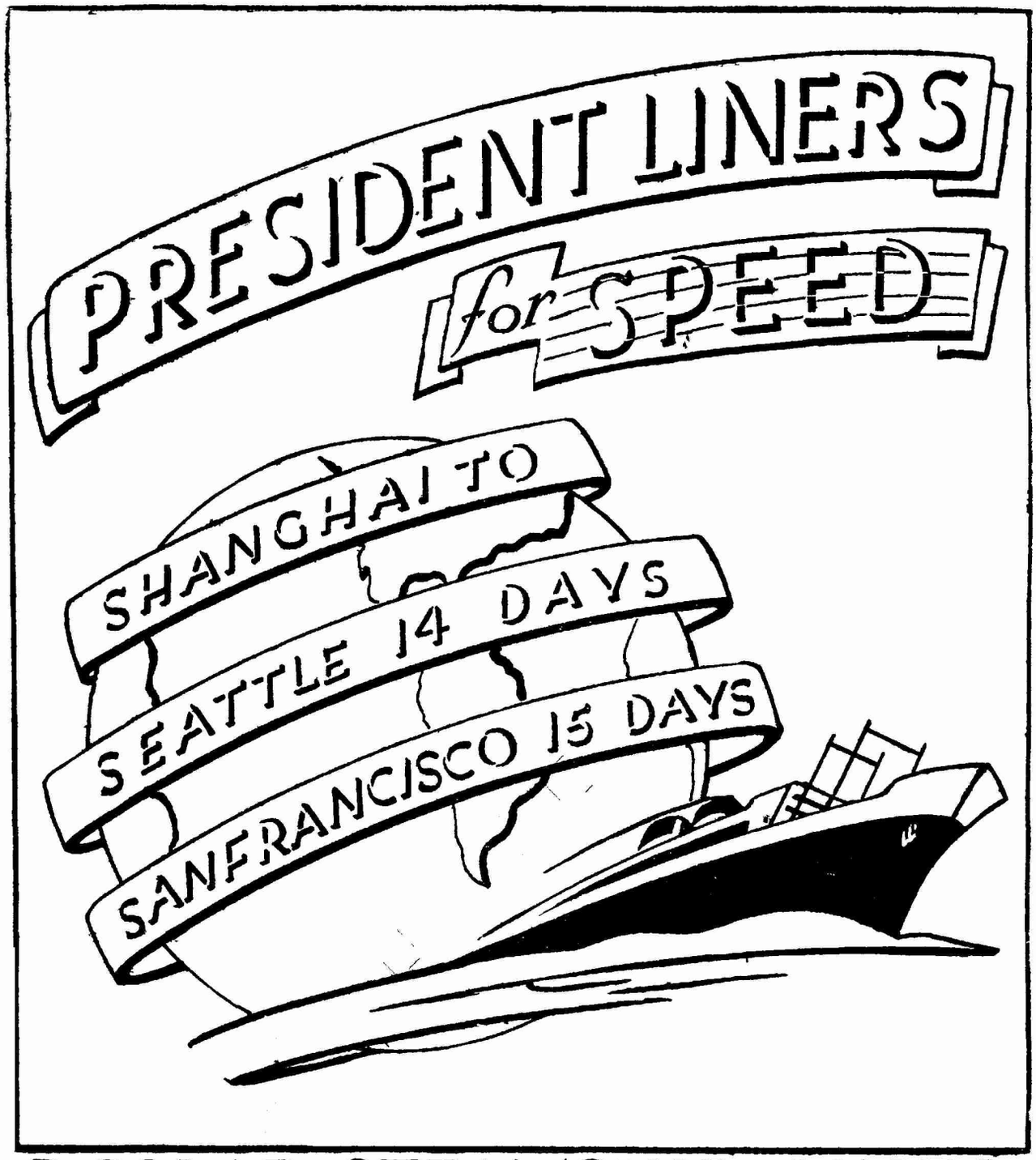

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The National City Bank of New York, Rates of Exchange

Shanghai, March 20, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.63
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.60
Demand selling rate on London:	£1.0.0=Sh. $ 12.63
Demand buying rate on London:	£1.0.0=Sh. $ 12.46

Latest New York Stock Exchange Quotations

March 20, 1935
Business Done:
Total Volume:- 510,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Mar. 18	Last Sale Mar. 19
121⅝	90¼	4.00	American Can	113	113⅛
22¼	14⅝	0.40	Amer. Cyanamid "B"	15¼	15⅛
13⅝	2	—	American & For. Power	2⅛	2⅜
38⅝	9¼	—	American Locomotive	9⅝	10
17⅝	10	—	American Radiator	11¼	11¼
51¼	30¼	—	American Smelting	32⅞	33⅛
125½	99¼	9.00	American Tel. & Tel.	99¼	100⅝
89	67	5.00	American Tobacco "B"	76⅝	78
27⅝	7¼	1.00	American Waterworks	8⅛	8⅛
17¾	8	—	Anaconda Copper	8⅛	8⅜
73¾	38	2.00	Atchison, S. & S. Fe	39	39⅝
35¼	21⅝	1.00	Atlantic Refining	21⅞	22
57⅜	15	—	Auburn	15	16¼
34½	7⅞	—	Baltimore & Ohio	7⅞	8⅛
28⅞	9¾	—	Bendix Aviation	12¼	12⅝
49½	22½	—	Bethlehem Steel	22½	23⅝
11¼	6½	—	Boeing Airplane Co.,	6½	7⅛
28¼	19⅜	1.60	Borden Co.	21⅛	22¼
33½	16½	1.50	Borg Warner	30⅝	31
18¼	9⅝	—	Canadian Pacific Railway	9⅝	10
86¾	35	—	Case, J. I.	47	48
43⅞	23	1.00	Caterpillar Tr.	37⅝	38⅝
40⅝	15⅞	1.40	Chase National Bank	21	21¼
48⅝	37⅛	2.80	Chesapeake & Ohio	38	38
60⅝	29¼	1.00	Chrysler	32¾	33⅛
19¼	8¾	—	Columbia Gas & Electric	4⅛	4⅝
38⅝	15¾	0.60	Coml. Solvents	18⅛	18⅝
3¾	0¾	—	Commonwealth & Southern (ord.)	0⅝	0⅝
47⅝	16¼	1.00	Consolidated Gas of N. Y.	17¼	17¾
22¾	15⅛	0.50	Contin-ntal Oil	15⅜	15¼
84½	55½	3.00	Corn Products	63¾	63⅝
9⅞	3⅝	—	Coty Inc.	4⅝	4⅝
28½	14½	—	Douglas Aircraft	18⅛	19⅝
103⅞	30	3.25	Du Pont de Nemours	87¼	88¼
28½	3¾	—	Electric Bond & Share	4⅛	4⅛
17½	8¼	—	Fox Film "A"	8⅝	8⅝
25¼	16⅞	0.60	General Electric	21¼	21⅝
36⅞	28	1.80	General Foods	33⅛	33⅛
42	24⅝	1.50	General Motors	27⅛	28
23	15⅛	1.20	Gold Dust	15½	15⅝
41⅝	16	—	Goodyear Tire & Rubber	16½	17
37⅝	18⅜	0.25	International Cement	23	23½
29¼	21	0.60	International Nickel	23½	23⅛
17⅜	5⅝	—	International Tel. & Tel.	5⅝	6
66⅜	30	—	Johns Manville	39⅝	40⅜
28¼	14	0.60	Kennecott	14⅝	14⅝
37¼	20⅜	2.00	Loew's Inc.	33⅜	34⅝
22½	15⅝	1.20	Lorillard	19⅝	19⅝
35⅝	20	—	Montgomery Ward	22⅝	23¼
49½	25⅜	2.00	Nat. Biscuit	25⅛	25⅜
43	16⅞	1.00	National City Bank	19⅛	19⅛
18⅜	13	1.20	Nat- Dairy Prods.	14⅞	14⅞
31⅝	16	0.50	National Distillers	27¼	28⅛
15¼	5	0.80	Nat. Power & Lt.	5	5⅝
45¼	12¼	—	New York Central	12⅝	13
25¼	9⅛	1.00	North American	9¼	10
23½	12⅜	1.50	Pacific Gas & Electric	14⅝	14⅝
37	19	3.00	Pacific Lighting	19	20⅛
6⅝	2⅝	—	Packard Motors	3⅛	3⅛
29¼	17¼	1.00	Pennsylvania Railroad	17¾	18
20⅜	13	1.00	Phillips Petroleum	14⅝	15
45	20⅜	2.80	Public Serv. of N.J.	22	22⅛
9⅛	4	—	Radio Corporation	4¼	4⅛
62⅞	46¼	3.00	Reynolds Tobacco "B"	46¼	46¼
38⅜	17⅛	—	Schenley	24⅝	25⅜
51¼	31	—	Sears Roebuck	33⅜	34⅛
19⅞	11	0.60	Socony-Vacuum	12⅛	12⅛
22¼	10⅛	1.50	Southern California Edison	11⅛	11⅛
33⅜	13	—	Sthrn. Pacific	13⅜	unreed
36¼	7⅝	—	Sthrn. Railway	8⅜	8½
25¼	15⅛	1.00	Stand. Brands	15⅜	15
17	1⅜	—	Standard Gas & Electric	2	2⅛
42⅞	26⅛	1.00	Stand. Oil of Cal.	28¼	28⅝
50⅞	35¾	1.25	Standard Oil Co. of N. J.	35¾	36⅛
66¼	47¼	3.80	Sterling Products	62⅞	62⅛
29⅝	16¾	1.00	Texas Corporation	17⅛	17⅛
43¼	30	2.00	Texas Gulf Sulphur	31⅛	31⅛
8⅛	5	.12½	Transamerica	5⅛	5⅛
50⅞	35⅞	1.40	Union Carbide & Carbon	45½	46
133⅞	84½	6.00	Union Pacific	85	86
15¼	8⅛	—	United Aircraft (New)	10⅜	11⅜
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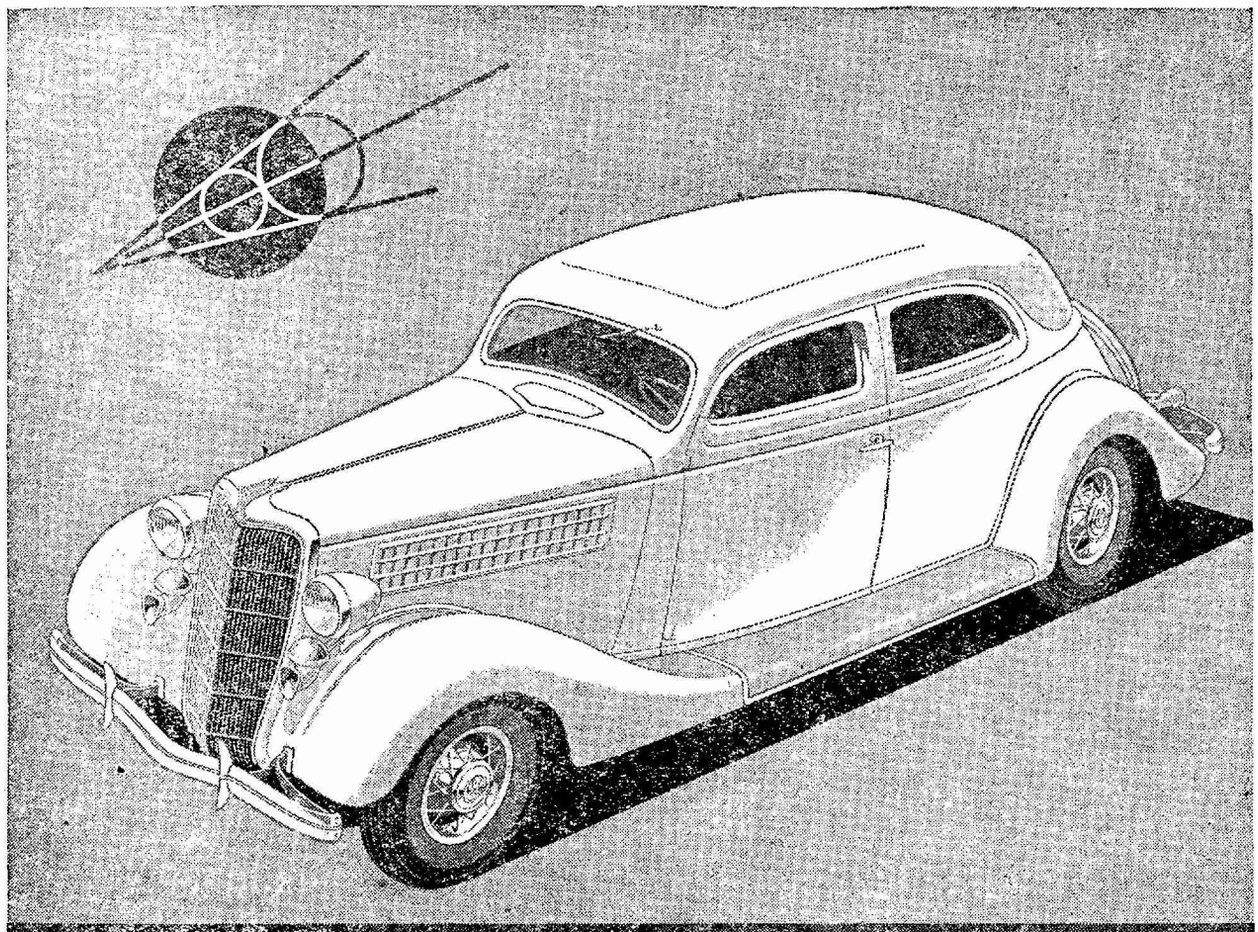

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The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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AMERICAN CHEWING-GUM AND JAPANESE BOYCOTTS

FOR those readers of *The Review* who are not familiar with the subject, chewing-gum is an American invented confection which is supposed to be chewed rather than swallowed. It is made up in small sticks or pellets covered with a sugar coating while the inside consists of a product called chicle, the concentrated juice of the sapondilla tree which grows in Central and South America. The confection is widely used in the United States, was introduced into Europe by the American troops in the great war and in recent years has invaded the Orient, particularly the chief cities such as Shanghai where large quantities are sold. According to the advertisements the gum is reputed to be of service in whitening the teeth, dissipating halitosis and accelerating digestion. When chewing-gum was originally introduced into Asia the manufacturers experienced considerable difficulty because the purchasers insisted upon swallowing it instead of masticating it continuously and indefinitely in the manner of American stenographers, chorus-girls, small children and others. In order to correct this fault it was necessary for the promoters to expend considerable money in educational advertising. But perseverence had its reward, to such an extent that China is now well on the road to becoming a gum-chewing nation, an obvious evidence of progress toward modern civilization. It was reported sometime ago in the Chinese newspapers that China is now consuming well over a million dollars worth of chewing-gum annually.

The original introducer of chewing-gum in China was a Chicago concern. Then other companies entered the field and finally the inevitable happened, the business became so extensive that it warranted the construction of factories in Shanghai, particularly after the Chinese government had raised the tariff duty on this type of confection. There are now two such factories in Shanghai, modern and sanitary in every respect, with up-to-date machinery and employing large numbers of Chinese workers. Both factories are American incorporated and operated, one being controlled by the Henningsen interests and the

other, the newest concern being operated by "Sweets, Inc.," of which W. H. Daub is president. "Sweets, Federal Inc., U.S.A.," to use the full title is a subsidiary of Sweets Laboratories, Inc., which has its headquarters in Washington, D.C. and New York City. Factories also are operated in England, Spain, Cuba, Mexico, Manila and other places where American influence and culture have spread. So far as we know there are no American chewing-gum factories in either Japan or Russia, a more or less definite indication of the cultural backwardness of those two countries. But to get the situation straight in the minds of our readers there are three leading brands of chewing-gum sold in this market, one known as "Spearmint," produced in Chicago by the William Wrigley, Jr. company, another known as "Sweetie Spearmint," and "Rose" produced by the Henningsen company and "Bubble-Gum,' also produced locally from imported raw materials by Sweets, Federal Inc.

Now to get to the point of the story it seems that someone has figuratively thrown a monkey-wrench into the happy, though competitive, relations of these three American chewing-gum concerns by spreading rumors that the product is of Japanese origin. The results have been most unhappy, for despite the National Government's strict suppression of the anti-Japanese boycott and recently announced regulations threatening dire punishment to any one violating the same, shop-keepers in many places such as Hongkong, Canton, Shanghai, Nanking, Tientsin and elsewhere have refuse to handle the gum. It appears that the shadow of Japanese aggression and consequent anti-Japanese sentiment still hangs heavily over the minds of the people and may be invoked even in the case of such an inoffensive product as a stick of chewing-gum. And since our sympathetic interest in the case has been invoked, we therefore declare most emphatically to the best of our knowledge and belief that while the Japanese have been most enterprising in many ways, even to the extent of inventing a war that was not a war, that they have not yet been able to invent chewing-gum. Chewing-gum, as we have seriously tried to point out, is a distinctively and exclusively American product and, to the best of our knowledge, has no connection with Imperial Japan, excepting, of course, the fact that the Japanese also chew a great deal of it. Therefore, there appears to be no logical ground for anyone mixing up the Manchurian or any other anti-Japanese issue with the chewing-gum situation, regardless of which brand one may prefer. If there is any moral to this tale, it apparently has to do with the anti-Japanese boycott situation, for the competitive experiences of these three exclusively American concerns have demonstrated that one of the best ways of besting a competitor is to charge that he is selling Japanese goods. There are only there admonitions which we would like to make before passing on to something else: Don't swallow it; don't stick the used pieces on the seats of chairs; don't throw the used pieces on the floor or sidewalk!

GOD AND THE STATE IN THE JAPANESE PARLIAMENT

IT is extremely rare that the name of the Emperor of Japan is brought into Japanese politics in any way. The Emperor is regarded as being so high above the people, so sacrosanct and inviolable, that he must be referred to in newspapers only indirectly—usually by something in the nature of asterisks—to indicate the brilliance of His Majesty. In the House of Representatives of the Imperial Diet recently the Emperor's position in the state was likened to that of the sun in the solar system, in which the disappearance of the sun would completely destroy the constellation. The simile was particularly appropriate in the minds of most of the Japanese people who regard the Emperor as the direct descendant of the Sun Goddess. Therefore, as the Emperor is regarded as both God and the State, any reference to his position in the State, particularly in the newspapers or parliamentary discussions, becomes an exceedingly grave matter in Japan. The Imperial succession is determined by House Law, the Imperial income is determined by the Imperial requirements, Parliament having no control whatsoever over either. The Emperor can dissolve Parliament at will, can issue ordinances having the full force of law. No common mortal such as a civilian cabinet minister has the right of access to his presence, excepting the Premier—who is occasionally a civilian—though the military chiefs in charge of the army and navy, and of the Ministries of War and Navy and the Supreme War Council, are privileged to approach the glory of the Throne.

The recent discussion of the subject in the Imperial Diet was therefore of considerable significance because of the transition which is now taking place in Japan with respect to constitutional government. That the issue is a serious one was indicated in the bitterness of the recent debates in the Diet over the constitutional studies of Dr. Tatsukichi Minobe, noted authority on the subject, a member of the upper house in the Diet, and emeritus professor of the Tokyo Imperial University. Dr. Minabe took the position that the Emperor is an "organ of the State," a conception which greatly shocked some pious members of Parliament, who have demanded that the Government make a definite statement on the subject of where sovereignty actually lies, that is, whether the Emperor is the State itself, or merely an "organ of the State," as defined by Dr. Minobe in his writings.

Of indirect interest in the same connection was an incident in the House of Representatives on March 16 when the members voted special honors to Yukio Ozaki, the "father of constitutional government," who has served in the lower chamber for a period of 43 years, considerably longer than any other member. Mr. Ozaki, now 77 years old, in replying paid a high tribute to the late Premier Tsuyoshi Inukai, who was assassinated by a group of pseudo-patriots on May 15, 1932. Mr. Ozaki expressed regret that he could not have been at Inukai's side and shared

the same fate in the cause of parliamentary government.

But it remained for Dr. Minobe, outstanding authority on constitutional government, to create a delicate and highly embarrassing situation for the warlords of the army and navy departments who are now trying to run the Government of Japan and dictate its foreign relations, by declaring that the Emperor is an "organ of the state." They responded with fervent declarations that Japanese soldiers die with the name of the Emperor on their lips, and that every Japanese desires to die for his Ruler,—all of which, a Seiyukai party spokesman pointed out, did not answer the question. Asked in the House of Peers if they intended to drive out of Japan a theory "staining the sanctity of the Emperor, a theory which regards the Emperor as an institution," the military ministers declared their dissent from Dr. Minobe's theory, but believed the matter should be treated with caution. Baron Inouye, demanding a reply, pointed out that "Dr. Minobe does not say anywhere in his book that the Emperor is a supreme being, a living God." Discussion of the delicate subject was finally stopped, but the noted reactionary leader Mitsuru Toyama has formed a new organization, the "Alliance for the Destruction of the Institution-Theory," to suppress any publication of the theory that the Emperor is an institution, and to "persuade" Dr. Minobe to resign his post. The Home Ministry, concerned both over its own stand and the danger of assassination hanging over the noted scholar, has begun negotiations to change the objectionable words in Dr. Minobe's book. The noted jurist himself states courageously:

> "Whatever persecution may be made against me. I cannot change or revise my theory. I cannot budge an inch from my own theory.... That the nation respects the Emperor as a present-day God and exists in the feeling of loyalty and respect unprecedented the world over toward the Reigning Family is certainly of an important nature, but it does not enter into the field of law study. It is a sentiment, outside the scope of constitutional discussion. The Constitution is a study of rights and obligations and does not treat such a sentiment."

The military rulers of Japan, who exercise the great powers of the Emperor, are particularly embarrassed because of their latest pamphlet, entitled "The Japanese Nation's Determination in the Crisis Marking the 30th Anniversary of the Russo-Japanese War," which, declaring Japan's leadership in a crusade to reform mankind, banish evil from the earth, and "transform the world into a paradise," marks the difference between the Japanese, who retain "the natural and unspoiled virtues of the human being,... elevated to a very high degree of refinement," and "those nations given to fighting among themselves on the continents, and whose souls have been opressed and deformed. Their morality is composed of individualism, egotism, and materialism." The reason for this superiority: "The Japanese sense of 'self' is not the 'ego.' The 'self' is to them a member of the State, of which the Emperor is the nucleus... 'Self' is inseparable from the State. From this conception spring filial piety and loyalty to the Emperor. It also gives us our ideas of life and the world. If it could be extended to all human beings, their eventual welfare would be assured."

The extension of the worship of Japan's Emperor to the whole human race, especially to the "oppressed and deformed" souls of Europe and America, is indeed a serious problem. At this time, of course, critical remarks like those of Dr. Minobe's seem particularly out of place, whether or not actual blasphemy, to the leaders of the new Japanese crusade to make the world a paradise. It should be added, for the benefit of the uninformed, that the objection to Dr. Minobe's work was that it appeared in Japanese. As for books in English and other Western languages, it is the custom of Japan's propagandists—native and foreign—to present the Emperor simply as a constitutional monarch, as in the enlightened and democratic monarchies of the West. The English-language Japan Year Book, for instance, states that "the legal status of the Emperor under the Constitution, if properly interpreted, does not much differ from that of any constitutional monarch." And any number of ignorant or dishonest writers about Japan have represented the country as being a limited monarchy, or possessing some of the attributes of a modern constitutional State. Ignorance and dishonesty of this kind will undoubtely continue, in order to impress gullible persons of more democratic countries. But the wide publication of some of the recent discussions in Parliament, making it clear that the Emperor is "God and State, Divine and Omnipotent," should help clarify things.

⁂

The debate on whether the Emperor "is the state" or "is an organ of the state" flared up anew in the House of Peers in Tokyo March 20, when the Chamber unanimously carried a resolution on the "Renovation of Politics and Education." The resolution contained a mild condemnation of Dr. Tatsukichi Minobe's thesis which runs contrary to the accepted constitutional theories, without, however, either mentioning him by name or urging the government to take any action in the matter. In the speeches which preceded the vote on the motion, Dr. Minobe, who is a member of the House of Peers and a noted constitutional authority, was bitterly assailed for "attempting to rewrite the Imperial Constitution." Marquis Jutoku Saigo criticized Dr. Minobe's thesis that the Emperor is "an organ of the state" as a foreign importation, which brings confusion to the popular notions on the structure of the Empire, and which has now assumed such serious proportions as to require governmental attention.

Governmental measures "to suppress public discussion or the expression of opinions contrary to the national polity" of Japan will also be demanded by the Seiyukai Party in a resolution to be introduced in the House of Peers March 23, according to a *Rengo* message on March 21.

Manchurian Bandits Have Killed 152 Japanese and Puppets Monthly Since 1931 Occupation

ACCORDING to figures recently released by the Manchukuo administration at Changchun, the casualties suffered by the Japanese and puppet troops as a result of bandit encounters has averaged 152 monthly since the original Japanese occupation of the territory in September, 1931. The total casualties (killed) for the period was given as 6,541, of which number 3,132 were Japanese troops and the remainder, or 3,409 being native Manchukuo troops. The Japanese killed alone have averaged about 73 a month, which figure accords with reports from the port of Kobe, which stated sometime ago that the remains of between 50 and 60 Japanese officers and men pass through that port monthly to various Japanese cities and villages where they are sent for final burial. The Japanese steamer *Ural-Maru* which docked at Kobe on Feb. 21 carried the bodies of 52 officers and men who were killed in Manchuria during the first month of the present year.

These figures tell the real story of Japan's failure, up to the present, to pacify Manchuria because the news reports of actual encounters between the Japanese army and "bandits," "volunteers," or "partisans" have either been suppressed entirely or minimized since the Japanese military authorities forced an amalgamation of the two major Japanese news agencies, *Rengo* and *Nippon Dempo*, formerly operating in Manchuria, into the official *Manchurian News Agency* which is subject to military control.

However, the reports do leak out in one way or another, as evidenced in an article by Saburo Takasuga dealing with racial problems in Manchuria which appeared in the *Ikita Shimbun* (Tokyo) last month. According to this writer the Japanese Kwantung army headquarters at Changchun reported on Nov. 24, 1934 that the army had been involved in approximately 18,000 encounters with so-called bandit gangs in the three months of September, October and November, (1934) which indicated in Mr. Takasuga's opinion that "bandit activity was by no means subsiding in Manchuria." Much of the trouble, in his opinion, was due to racial conflicts, which apparently have become more serious since the Japanese military authorities took over the control of the country. The following report condensed from Mr. Takasuga's article (translated by *Contemporary Opinion*) indicated the seriousness of the problem and will attract particular interest in China due to his allegation that Gen. Chiang Kai-shek has had a hand in the financing of so-called "communist" activities in Manchukuo:

"There are no accurate population figures for Manchuria classified according to races. But the total is estimated at 30,000,000, of which the Han race constitutes about 80 per cent, native Manchus about 10 per cent, while a certain percentage are Mongols. The rest of the population may be classified at about 1,000,000 Koreans, 200,000 Japanese and 70,000 Russians. They are now unified under the Manchukuo national flag of five colours representing the Japanese, Korean, Manchu, Han and Mongolian races.

"In discussing the racial problem in Manchukuo, it is necessary to distinguish between the historical and cultural conception of race and biological conception of race. The Manchus, one of the Tungus tribes ethnologically speaking have ceased to be a distinctive people to-day being almost completely absorbed by the Chinese. On the contrary, the Hans living in Manchuria constitute the Chinese race together with Hans living in China proper, giving rise to a possible race problem.

"The Hans, who constitute 80 per cent. of the population in Manchukuo, began to pour into Manchuria from China proper when the ban on immigration into that region was lifted in 1803. As a result, the native Manchus were wholly amalgamated with Hans.

"A group of Chinese opposed to Japan and Manchukuo who were entrenched in an isolated region between the boundaries of Kirin province and Siberia, organised a secret society called the Huatung Republic early last year, receiving a supply of arms and ammunition from the Russian communist party. They engaged in propaganda, manipulating communist brigands for this purpose. But an expedition of the Japan-Manchukuo army swept the region scattering them and their organisation. In March, however, after establishing relations with a patrotic group in Peiping and gaining support, they again started their nefarious activities. More recently they extended their activities, with the aid of members of the Lan-i-she, a group organised by Chiang Kai-shek, who were visiting Manchukuo, marking out a certain section of Kirin province as the dominion of the Huatung Republic. An investigation revealed that all these activities had been manipulated by Chiang.

"General Chiang Kai-shek designs to send communists and other elements hostile to him to Kirin under his subsidy to reinforce the Huatung Republic, as a measure to disturb peace and order in Manchukuo and at the same time to strengthen his position as the actual head of the Nanking Government. Members of the Lan-i-she who are specially dispatched to Peiping are reported to have been holding meetings constantly with bandit leaders in Manchukuo and patriotic organisations in that city to discuss ways and means for carrying out outrages in Manchukuo. Brigands who have been scattered are now being recruited as member of the volunteer army of the Huatung Republic, to work as instruments of the moment.

"Koreans in Manchukuo, though comparatively small in number constitute an important element from the viewpoint of communistic nationalism. Korean immigration to Manchuria began during the period of the Ming dynasty (1366-1665 A.D.). Even after the immigration ban was placed by the regime under the Ching dynasty, many Koreans continued to move into the region from the Korean peninsula.

"When the northern section of Korean was swept by a famine in 1890, thousands and thousands of Korean sufferers crossed the Yalu river and settled in the Chientao district on the other side of the river. Their number at present is estimated at 1,000,000. They have become far more influential than the Han population in that province. As they have kept on resisting oppression from the Hans, their nationalistic consciousness has increased considerably. Living in Manchuria as they do, they have been supporting nationalistic movements in Korea by offering material assistance. Their nationalism of late has become characterised by communism. It is for this reason that Chintao has even become an important base of operations for the Korean Leftist movement. According to 1934 statistics the Korean communists, who were arrested in their attempt

to cross the national boundaries to enter Korea, totalled 213 last year.

"The Mongolian population in Manchukuo is negligible. But they, as a race, have experienced going through a revolution. The outer Mongolian Republic brought into being as the result of the revolution, has been almost compltely Sovietised.

"In 1921, the Mongolian revolutionary movement overthrew the regime under the White Russians General Wrangel and set up an independent government. At first the revolution took place under the rule of religious authorities led by one known as the Living Buddha. The revolution rapidly progressed since that time until, in 1924, a declaration for the organisation of a republican form of government was issued, driving away the feudalistic influence of the Lama Temple once and for all for the modern administration of the country. Since that time, foreign trade has been conducted by the government, the co-operative system has been developed and agricultural industry carried on the basis of joint co-operation. The republic has become regarded as a part of Soviet Russia.

"This condition of affairs in Outer Mongolia is bound to affect Inner Mongolia. In 1925, the Inner Mongolian National Party was organised in the southern section of Inner Mongolia. If the country should undergo a nationalistic revolution, though it may not be Sovietised, the situation will inevitably disturb the sentiment of Mongols an Manchukuo and particularly those in Jehol.

"We still remember vividly an incident reported in the press as an uprising of the Mongolian army while stationed at Chienchiatien. About 50 Mongolian soldiers, a part of the army in revolt, proceeded to Tunglioa on horseback. On the night of December 13th, they broke into a powder magazine and seized 3,000 rifles, amunition and one light machine gun. They attacked the sixth police station and were ready to assault the Japanese gendarmerie. The mutiny was due to a rumor that one of the Mongolian army officers investigated by the Japanese gendarmerie had been shot to death (Dispatch from Mukden, December 13th). Details of the incident could not be known from such a short report, but a racial feeling was seen in the report.

"Even if there was nothing of the sort, it is not difficult to imagine that some Mongols in Manchukuo would be disturbed, in the event Soviet Russia and Japan and Manchukuo came in conflict, involving Outer Mongolia which regards Soviet Russia as its mother country.

"The races in Manchukuo have their own problems. The so-called race problem implies an emanciation of the smaller and weaker races from the strong. The solution of the race problem in Manchuria depends upon whether Manchukuo is prepared to comply with this fundamental demand of the races within its boundaries. To satisfy this demand, Manchukuo must see to it that a realistic and ideal state free from economic exploitation be established as the basis for co-operation of the five races in the country.

"The success of the policy for the realisation of racial co-operation in Manchukuo depends upon the ability of Manchukuo to achieve this ideal state. It has been demonstrated in the Balkans and elsewhere that race problems, which may appear to be calm and quiet under ordinary circumstances, are pregnant with possibilities of breaking out at some critical moment."

Mysterious Plot Against Ariyoshi and the Censorship Situation

LATE on the evening of March 8 a report was circulated in Shanghai that an attempt had been made on the life of the Japanese Minister Akira Ariyoshi, who at that time was in Nanking interviewing Wang Ching-wei, head of the Executive Yuan and concurrently Foreign Minister. The report, which was supposed to have originated with the local Japanese military authorities, stated that owing to the plot to assassinate Mr. Ariyoshi, it had been necessary for the Nanking police authorities to adopt "unusually strict precautions," involving the doubling of guards, etc. Further it was alleged that the Nanking police had arrested several Chinese railway employes thought to have been involved in the plot. It was claimed that the motive for the plot was to "cause a setback to the Sino-Japanese rapprochement."

Local American correspondents who received this report immediately filed cables to their papers in the United States giving the details as supplied by the local Japanese military authorities. They were greatly surprised, however, on the following morning to learn that the censors in the local government cable and radio offices had suppressed the reports on the ground that they were "incorrect and likely to cause international complications." But their surprise was all the greater a few days later to discover that while the local censors had suppressed all reports filed by American correspondents, that there had been no interference with similar reports sent to the Japanese press by Japanese correspondents stationed in Shanghai and Nanking. In order that there may be no mistake about the matter the following are verbatim copies of the messages referring to the alleged attempt on the life of Mr. Arivoshi which were published in the newspapers in Japan:

From the *Japan Chronicle*, Kobe, March 10:

GUARD FOR THE JAPANESE MINISTER

Nanking Police Discover Terrorist Plot Against Officials in China

(*Rengo* Message to *Chronicle*)

Nanking, March 8—The unusually strict precautions which were taken by the Chinese authorities yesterday on the occasion of the visit here of the Japanese Minister, Mr. Ariyoshi were accounted for today when it was disclosed that investigations conducted by the Chinese police authorities resulted in the discovery of an apalling plot by Chinese terrorist groups against the life of Japanese officials stationed in China.

It is alleged that some lawless elements, who are disaffected by the recent rapid progress in the direction of better relations between China and Japan, have been planning to murder Japanese officials in an attempt to cause a set-back to Sino-Japanese rapprochement.

However, the plot was detected and brought to light by the prompt activities of the Chinese police authorities, who, it is also reported, have found that some of the Railway Ministry of the Nanking Government are involved in the plot.

From the *Japan Advertiser*, Tokyo, March 10:

ARIYOSHI CLOSELY GUARDED

(*Rengo* Message)

Nanking, March 8—The unusually strict guard by the Chinese authorities which featured yesterday's visit

here of the Japanese Minister to China, Mr. Akira Ariyoshi, was accounted for today when it was disclosed that investigations conducted by the Chinese police had resulted in the discovery of a plot by some agents of Chinese terroristic groups against the lives of Japanese officials stationed in China.

It is alleged that some lawless elements who are dissatisfied with the recent rapid progress in the direction of better relations between China and Japan have been planning the murder of Japanese officials in an attempt to give a set-back to the trend toward Sino-Japanese rapprochement.

The plot, however, was detected by the Chinese police authorities who, it is alleged found some officials of the Ministry of Railways involved.

From the *Oska Mainchi* (English edition) March 10:

ASSASSINATION PLOTTED

Attempt on Envoy Detected;
Culprits Arrested

(From Our Own Correspondent)

Nanking, March 8—In connection with the present visit to Nanking of Japanese Minister Ariyoshi, a plot hatched by Chosenese in Shanghai and Nanking to assassinate Mr. Ariyoshi and other Japanese notables has been discovered, and the plotters, except the ringleader, have been arrested.

The Chinese police are specially guarding Minister Ariyoshi, who is leaving here for Shanghai this evening.

In addition to the foregoing reports which appeared in the *Japan Chronicle*, *Japan Advertiser*, and *Osaka Mainichi*, *the Jiji* and other leading papers in Tokyo published messages from their correspondents in Nanking and Shanghai or from *Rengo Service* giving substantially the same information with the exception that it was alleged that the assassination plot had been directed at Chinese officials as well as Japanese diplomats. The report in the *Jiji* stated that the plot had been formulated by malcontents "who are opposed to Sino-Japanese rapprochement."

In view of the fact that the Chinese police authorities in both Shanghai and Nanking have denied the accuracy of these reports it would be interesting to know what actually did happen and why the Japanese military authorities here circulated the story. A further element has to do with the censorship situation, which apparently is being applied to messages sent by American correspondents for publication in the United States while the Japanese correspondents are being permitted to send reports to their papers without interference. For a considerable period reports have been in circulation in Shanghai that the Japanese press reports were not being subjected to censorship as were messages intended for publication in the United States. Why this is being done is not known, some stating that the Japanese operate their own independent radio stations in the International Settlement thus obviating the necessity of using the Chinese government cable and radio services. Another report is to the effect that the Japanese correspondents are permitted to use the Japanese government cable between Shanghai and Nagasaki, which allegedly is not open to the public and in consequence not subject to Chinese censorship. A further report is to the effect that the Japanese government has notified Nanking that it will not permit interference with news or commercial messages dispatched from Shanghai or Nanking to points in Japan. In the event the Chinese National Government has agreed to this situation it would amount to most glaring discrimination in favor of Japanese interests and in consequence would provide a subject for diplomatic inquiry on the part of the American authorities.

The fact that the Japanese newspaper correspondents in China are not being subjected to the censorship which is being applied to American correspondents and the disastrous effect this is having on news reports published in the United States received further confirmation in a report from Washington received in Shanghai this week. This report, the source of which we are not permitted to divulge, stated that all through the recent discussions at Nanking pertaining to Sino-Japanese "cooperation," that Japanese correspondents both at Nanking and Shanghai had been permitted to send uncensored reports, while reports bearing on the same subject filed with the local cable and radio offices by American correspondents had been subject to severe censorship involving the deletion of parts or entire messages. As a result of this situation the Japanese had been able to place their own interpretation on all news emanating from both Nanking and Shanghai, thus causing the American newspaper readers to obtain a very distorted idea of what really was going on. As a direct result of this, many of the American papers are now accusing Gen. Chiang Kai-shek and Wang Ching-wei of having "sold out" to Japan, or that China had agreed to the entire Japanese military program in China even to an acceptance of the hegemony doctrine announced by spokesman Amau of the Tokyo Foreign Office last year. That many of the leading American editors now hold this view is directly traceable to the fact that the Japanese have been permitted to dispatch uncensored messages placing their own interpretation on the situation while messages giving the Chinese point of view as expressed in interviews and statements by Chinese officials, have been censored or suppressed entirely.

That this situation has been permitted to develop has been due, apparently, to a lack of knowledge on the part of the Chinese censorship authorities of the methods in which news messages are handled in the Far East. For example, when there is an important news development in Nanking, Shanghai or elsewhere in China, the incident, presumably, is covered by both the Japanese and American correspondents. But if the Chinese censors in the radio and cable offices here delete parts of, or entire messages, filed by the Americans while permitting all Japanese messages to go through uncensored, it means that the Japanese reports are picked up in Tokyo and wired all over the world with the Japanese interpretation or point of view included therein. We do not wish to infer that the Chinese authorities are deliberately handing over control of their news to the Japanese, but as suggested in the foregoing, we imagine what has happened is that the Japanese in some way, either through the use of independent radio or cable facilities or through intimidation at Nanking,

have been able to elude all censorship restrictions which the Chinese authorities are applying to the Americans, and also possibly other nationalities. The case of the alleged attempt to assassinate the Japanese Minister when he was in Nanking provides an excellent example of what happens in the present circumstances. All messages bearing on the subject which were filed by the American correspondents were suppressed, but the Japanese reports placing the blame on the Chinese, were permitted to go through and were published in Japan and in all probaility were cabled abroad by the correspondents in Tokyo. A careful perusal of the Japanese reports, as published in the Japanese newspapers, particularly the *Osaka Mainichi*, would seem to indicate that if there was an attempt on Ariyoshi, it probably was perpetrated by Koreans and not Chinese. As a matter of fact later information indicated definitely that it was a Korean plot. By suppressing the messages filed by the American correspondents in Shanghai, the Chinese authorities unconsciously permitted the Japanese to put their own interpretation on the incident and spread it all over the world to China's discomfiture.

LITTLE HOPE FOR INTERNATIONAL LOAN TO CHINA

A DEFINITE statement by Wang Ching-wei, head of the Excutive Yuan and concurrently Minister of Foreign Affairs of the National Government that China would oppose any scheme of the Powers to extend joint financial aid to China, was published in the *Osaka Mainichi* on March 9. The report was in the form of an interview with Mr. Wang by the Mainichi's staff correspondent in Nanking and was to the effect that China's opposition was based on the fear that such a loan "would lead to China's being placed under joint control of the Powers." The same report also stated that Japanese Minister Akira Ariyoshi, while on his last trip to Nanking, had assured Wang Ching-wei that Japan "also would positively oppose any move" on the part of the Occidental Powers to lend money to China, and "in view of the present situtation in the Far East Japan cannot favor any scheme involving the formation of an international banking consortium for financing China." Ariyoshi also inquired of Mr. Wang regarding the details of any loan negotiations which had taken place between China and Sir Alexander Cadogan, the British Minister, and in this connection also informed Mr. Wang that Japan also "would regard seriously any independent loan to China from any quarter." Nothing, however, was stated about reports that Japan had offered China a large loan in exchange for China's suppression of the anti-Japanese boycott, recognition of Manchuria, and the conclusion of an economic agreement providing for "cooperation" between China and Japan.

Aside from these statements which were not published in China, but which received considerable prominence in the Japanese press, the only other important pronouncement on the subject was a declaration of J. Hamilton Lewis, prominent Illinois Democrat, in the U.S. Senate on March 13. Senator Lewis expressed vigorous opposition to American participation in "any international loan to China," and declared that participation by the United States in such a venture "would be highly undesirable." He said that United States had had sad experience in lending money to foreign nations. "We have not only lost our money—we have lost the friendship of the nations to whom we lent it. . . . To avoid losing both our money and the good will of all those countries involved in the proposed loan, let us find another way of assisting China in her hour of need." In place of a loan, Senator Lewis proposed that the United States help China by extending credit for materials purchased in American factories.

Anthony Eden, Lord Privy Seal, also stated in the British House of Commons on March 18, that while China had requested a loan from British sources last December, that there had been no further developments. He stated that it was not possible at present to make public the communications which had passed between China and the other Powers on the subject and that the whole question of the Powers participation in such a loan would depend upon the views of the Chinese Government which, in his opinion, had not yet been expressed. Geoffrey Mander, one of the Labor members of Parliament inquired whether any steps would be taken by Britain to prevent Japan from vetoing a loan proposal by the other Powers. Mr. Eden was non-committal on that point. Whether the latest visit of the British Minister to Nanking or the contemplated trip of the American Minister to the National capital are concerned with loans has not been announced.

The apparent hopelessness of an international loan, or even a foreign loan of any character, has had the effect of causing China's governmental as well as financial and commercial leaders to make further exploration of the possibilities of raising money locally. According to a *Kuomin* message from Nanking on March 19 the Ministry of Finance had approved a recommendation that the Bank of China should undertake the organization of a financial syndicate for the purpose of extending emergency assistance to business organizations suffering from the present economic depression. According to a report in the *Shun Pao*, leading Chinese paper in Shanghai, a recently proposed scheme to issue $500,000,000 worth of bonds secured on real estate title deeds in the Shanghai district was dismissed as being "both childish and foolish." The report stated that Chinese bankers had definitely rejected the plan even though the sponsors of the project "Might be able to transform the theory into a workable idea." Complete details of the scheme were not available, but according to reports in the Chinese newspapers someone had proposed that all property owners pool their title deeds and that bonds be issued on the equity and that the banks be permitted by the Government to hold such bonds as legal collateral in place of the present silver reserves. It was argued that this scheme would release some $300,000,000 in silver which the banks must now hold as legal reserve against note issues.

Wang Ching-wei, head of the Executive Yuan, arrived in Shanghai from Nanking on March

20 and immediately visited T. V. Soong, former Finance Minister and now a member of the standing committee of the National Economic Council. Mr. Wang was quoted in a report issued by the *Hwa Tung* news agency on March 20 as declaring that China "had never given serious consideration to the question of an international loan of £20,000,000. A *Rengo* report from Nanking, published in the *Japan Advertiser* (Tokyo) on March 13 quoted Chinese officialdom as stating that the matter of a foreign loan probably would not materialize until after the subject had been discussed with the British and American Ministers. This report said that China favored negotiations with foreign governments for "individual loans," rather than an international loan, and it was claimed that Nanking had approached the American Chase bank in Shanghai in this connection. Hope was expressed that if a foreign loan materialized it would have the effect of restoring confidence in local financial circles and this might enable the Government to float another domestic issue of $200,000,000, which amount was regarded as necessary to meet the deficit in the present budget. Certain elements in the Kuomintang as well as business circles, however, had opposed this idea on the ground that further foreign loans would merely have the effect of further extending foreign influence in the country. The report in the Tokyo paper said there also was strong opposition to a scheme for raising a $500,000,000 loan for the purpose of enabling the country to go on a Gold exchange basis. With reference to the reports that Britain was interested in advancing a loan to China, the *Rengo* correspondent declared that Britain's real objective "was to participate in the projected Sino-Japanese economic cooperation." It was also alleged that the British bankers would exact conditions which China could not afford to accept. The Japanese alleged further that the real objective of T. V. Soong and certain Chinese financiers at Shanghai in raising the foreign loan issue was for the purpose of "restoring their influence in the Nanking Government."

That the loan issue is complicated by domestic political considerations, even aside from the strong opposition expressed at Canton, was indicated in a report circulated in Shanghai this week to the effect that a political group had been formed for the purpose of ousting Wang Ching-wei from the premiership and creating a military dictatorship headed by Gen Chiang Kai-shek. The report alleged that secret moves had been made to elect Gen. Chiang president with the aged statesman Tuan Chi-jui as head of the Executive Yuan and T. V. Soong as Finance Minister. It was claimed, however, that this scheme had been blocked by Wang Ching-wei, who allegedly had threatened to make certain exposures in connection with recent Japanese moves to form an economic "cooperative bloc" with China.

Japanese Workers Ready to Take Over C.E.R.---China Issues Text of Protest

ACCORDING to an announcement made in Harbin last week the actual transfer of the Chinese Eastern Railway to the Manchukuo government will take place in April next, but later telegrams showed that the taking-over is being speeded up. Mr. Sahara, Chief of the Harbin Bureau of Government Railways, is named General Manager of the C.E.R., under the Manchukuo regime. The new assistant general manager will be Mr. Hirata, now a senior member of the committee to supervise the transfer of the line.

Rengo states that the transfer of the North Manchuria (Chinese Eastern) Railway from the hands of Soviet authorities to Manchukuo will be virtually completed before the formal signing of the sales contract takes place in Tokyo on March 23. Simultaneous with the formal signing of the contract in Tokyo, the official taking over of the railway management by Manchukuo from Soviet Russia will take place in Harbin March 23, with Ting Chien-hsiu, Communications Minister of Manchukuo, and Mr. Rudy present.

Chuichi Ohashi, Vice-Minister for Foreign Affairs of Manchukuo, who played an important role in the negotiations leading to the conclusion of the transfer agreement of the Soviet share in the North Manchuria (Chinese Eastern) Railway has returned to Changchun to secure Manchukuo's approval of the diplomatic documents initialed in Tokyo last week.

A drastic reduction in the passenger tariff on the southern section of the N.M.R. to the level of rates charged by other railways in the State has been decided by the General Direction of Railroads.

Restoration of through traffic and the question of rolling stock will be discussed at a conference between the representatives of the North Manchuria and the Zabaikal and Ussuri railways, soon after the transfer of the N.M.R. to Manchukuo.

Harbin Plans Celebration of Formal Signing of Transfer

Simultaneously with the formal signing of the C. E. R. agreement in Tokyo on March 23 between representatives of Japan, Manchukuo and U.S.S.R., a celebration of the event will be held in Harbin under the auspices of the Minister of Communications. High officials and consular representatives of Manchukuo, Japan, and the U.S.S.R. have been invited to attend the celebration, which will be held at the N.M.R. Club. The celebration will be opened by Ting Chien-hsiu, Manchukuo Minister of Communications, who will deliver an adress briefly tracing the negotiations leading to the final conclusion of the transfer agreement. Following a speech in reply by Michael Slavutsky, the Soviet Consul-General at Harbin, congratulatory addresses will be made by Morindo Morishima, the Japanese Consul-General, and other officials.

Among the prominent officials who will attend the event will be Li Shao keng, Governor of the C.E.R., Shi Li-pen, Manchukuo diplomatic representative at Harbin; and Mr. Rudy, director-general of the and railway.

Japanese Railway Workers Flock to Changchun and Harbin

About three thousand skilled Japanese railway workers have congregated in Changchun and Harbin for assignments on the C.E. R. The seventh contingent of trained iron workers from Yawata, comprising 34 families, arrived in Dairen Mar. 14; they were immediately sent to the Anshan steel center. General Nobuyuki Abe, a member of the Supreme War Council in Tokyo, and General Minami, Japanese ambassador to Manchukuo, met at Dairen Mar. 14. Satisfaction over the C.E.R. deal was expressed by both General Abe and General Minami. The Japanese ambassador said that all preparations for the operation of the C.E.R. had been completed and that the workers congregated in Changchun would be held in readiness for transfer. It is reported that Japanese station masters will be appointed to 23 important stations of the C.E.R., while passenger fares, after the transfer, will be reduced by approximately 30 per cent.

Preparations to assign 3,600 men to track maintenance duties on the North Manchuria (Chinese Eastern) Railway, as soon as the transfer agreement for the line is signed on Mar. 23 have been completed, officials announced in Harbin, Mar. 14. The entire force consisting of newly hired men as well as employees during the Soviet regime will be divided into twelve divisions. Each division will be subdivided into sections of ten men, who will be placed along the railway track at 5-kilometer intervals, according to the announcement. The group foremen are Japanese, 300 of whom have already been hired.

Coincident with the transfer of the C.E.R., Stephen Kuznetsoff, vice-president of the board of the C. E. R., is to be appointed Far Eastern representative of the Foreign Commissariat in succession to M. Melinikov. This appointment will be the first move towards the adoption of a new Soviet policy in the Far East, as M. Melinikov and his colleague, General Bluecher, the commander of the Soviet forces in Siberia, are both known to be exponents of the "iron fist" in the treatment of Far Eastern problems. The new policy of the Soviets is expected to be reciprocated by Manchukuo, which is reported to be proposing the establishment of consulates in Moscow, Vladivostock, Harbarovsk and Nikolisk.

Russians Apply for Manchukuo Nationality So as to Get Jobs on Railway

It is estimated that a hundred trains will be required to repatriate the Soviet employees of the C.E.R., and their belongings, but, according to the Russian press, many of these intend going to Shanghai.

Meanwhile, since March 11, more than a thousand Russians have applied for Manchukuo nationality in order to obtain employment on the C.E.R.

Rengo says the employment of 1,300 White Russians to replace the Soviet workers, has been tentatively decided by the General Dirtetion of Manchukuo State Railways.

Kanji Usami, director-General of the Manchukuo State Railways, stated recently that the Japanese will gradually replace the Soviet employees of the line, who will be reduced "to a small number within three months," Mr. Usami said. The railway probably will not pay for several months after the transfer is completed Mr. Usami intimated, but added that more trains would be operated on the Harbin-Pogranitchinaya and Harbin-Manchuli branches after Manchukuo secures control.

Russo-Asiatic Bank Tries to Forestall Japanese in C.E.R. Wharf Dispute

American and Chinese attorneys on behalf of Percy Chu, liquidator of the Russo-Asiatic Bank, have filed a claim in the Shanghai District Court in Nantao for the recovery of $589,637.52, representing sums allegedly advanced to the railway by the Russo-Asiatic Bank up to December, 1924. A further application has been filed by the legal representatives of Mr. Chu for a Court order restraining the Chinese Eastern Railway from transferring any of its properties in Shanghai until the final determination of the action. The restraining order affects the railway's Yangkadoo Wharf in Pootung, and, in the event of judgment being against the railway in the action, and should the railway fail and refuse to pay the amount claimed, the Court is requested to sell the Yangkadoo Wharf and any other properties of the railway found within the jurisdication of the Court, in order to satisfy the creditors' claim. The actions are part of a maneuver to prevent Japanese interests from taking over the local C.E.R. wharf properties, which they allege are included in the recentt C.E.R. transfer.

Study of a list of the Bank's creditors reveals their international character. In addition to Chinese claims approximating a third of the millions of dollars involved in the liquidation, there are several large Japanese and America claimants. The largest Japanese banking and business houses are concerned, these including the Yokohama Specie, Mitsui, Mitsubishi, Taiwan and Chosen banks. The Philippine National Bank, Manila organization in which U.S. War Department owns a large interest, is a creditor to the extent of more than $300,000 according to F. J. Schuhl, Shanghai attorney whose firm represents the Philippine National Bank.

Revision of Japanese State Bond Laws to Be Made So as to Cover C.E.R. Issue

A recent message from Tokyo stated that revision of the laws dealing with the issuance of state bonds may be sought by the Government at the next session of the diet. The desire for a revision is reportedly motivated by the wish of Japanese bankers to place the Manchukuo bonds to be issued for the purpose of paying for the North Manchuria Railway, on the same basis as the national bonds of the country.

Manchukuo Bond Issue Law Promulgated

The law authorizing the Manchukuo Government to issue bonds amounting to Yen 180,000,000 to finance the purchase of the Soviet share in the North Manchuria Railway was promulgated in Hsinking, March 14 following approval by Emperor Kangte.

Harbin Police Free Arrested Soviet Workers

Release of the 63 Soviet and 20 Polish workers of the North Manchuria (Chinese Eastern) Railway, who were detained since last August and September on various charges, including terrorism, was decided upon by the Harbin Police Bureau March 16.

Japanese Troops to Guard North Manchuria Railway

Japanese railway guards, assisted by Railway Police, will replace the North Manchukuo soldiers, in policing the North Manchuria Railway zone after the transfer of the line from Soviet to Manchukuo ownership, according to plans now under discussion between the Hsinking and Kwantung Army authorities.

De Facto Recognition of Manchukuo by Soviet Russia

Tokyo *Asahi* commented:—"Because the materialization of the railway transfer is tantamount to Soviet Russia's extension of *de facto* recognition to Manchukuo, Manchukuo expects to establish a consulate-general at Moscow and consulates at two other Soviet cities. It is believed that when the railway agreement is formally signed, Manchukuo will open negotiations with the Moscow Government for this purpose."

China Sends Protests to Washington Conference Nations

Identic notes defining China's stand vis-a-vis the illegal sale of the Chinese Eastern Railway by Soviet Russia were despatched Mar. 16 by the Ministry of Foreign Affairs to the British, American, Japanese, French, Italian, Netherlands, Portuguese, and Belgian Governments. The notes, in reiterating China's opposition to the illegal sale of the C.E.R., reserve all Chinese rights and interests therein.

The following is the text of the official statement sent to the various foreign governments by the Ministry of Foreign Affairs on March 16 concerning the illegal transfer of the Chinese Eastern Railway:

"The Chinese Eastern Railway, which lies entirely in Chinese territory, is a joint enterprise of the Government of the Republic of China and the Government, of the Union of Soviet Socialist Republics. Being an indispensable means of communication in the Northeastern provinces, it plays an important role not only in the economic fabric of China, but in trans-continental railway service as well. It was built with the special permission of the Chinese Government who contributed a part of the capital. Its present status is clearly defined in the agreements concluded between China and Russia in 1924, and aside from the rights and interests resting on a contractual basis, China as the dominus power possesses certain inherent sovereign rights in respect of the railway.

"It is expressly stipulated in Article 9, paragraph 5, of the Sino-Russian Agreement of May 31, 1924 that the future of the Chinese Eastern Railway shall be determined by the Republic of China and the Union of Soviet Socialist Republics to the exclusion of any third party or parties. By the said agreement the Soviet Government also agrees to the redemption of Russian interests in the Railway by the Chinese Government, and it is understood that the Soviet Government should surrender the Railway to China's exclusive control after the lapse of a certain period. Furthermore, the Chinese and the Soviet Governments made a mutual pledge in Article 4, Paragraph 2, of the said Agreement the neither Government should conclude any treaties or agreements which might prejudice the sovereign rights or interests of either contracting party."

"In violation of the above-cited provisions and in disregard of the repeated protests of the Chinese Government, the Soviet Government has been carrying on negotiations for the sale of the Chinese Eastern Railway with the Japanese Government and with persons supposed to represent the unlawful regime now existing in the Northeastern Provinces of China. These negotiations are now reported to have been brought to a completion and it appears that the transfer of the Railway will be effected shortly. The action of the Soviet Government in thus attempting to dispose of the Chinese Eastern Railway without China's consent is clearly and completely ultra vires and must therefore be considered by the Chinese Government as absolutely illegal and invalid. While Russia might have deemed fit to surrender her own interests in the Railway to a third party—be it real or fictitious—China can never recognize any party as successor to any of the rights and interests in the Railway. No railway can be held and operated by any person or organization in the territory of China without her explicit consent. Russia's present action constitutes without shadow of doubt a direct violation of China's contractual as well as sovereign rights."

"The painful fact that the Chinese Government has been prevented by circumstances for which China is not responsible from exercising its rights in connextion with the administration of the Chinese Eastern Railway does not effect in the least the validity of the provisions of the Agreements of 1924 nor the status of the Railway. The Union of Soviet Socialist Republics cannot dispose of the Railway under the present circumstances any more than she could do so when the Chinese authorities were actually controlling its administration in conjunction with the Soviet authorities. China's

(*Continued on page* 127)

Nanking to Pay Off Mitsui's Rail Loan; Gen. Chiang Disciplines Szechuan Army Commanders

HIGH LIGHTS IN THE EVENTS IN THE WEEK:

1. **Japan to Repair China's Railways and Manage Chinese Cotton Industry.**
2. **Tokyo Papers Report Japanese Trade With China Improving.**
3. **Suzuki Says Sino-Japanese Rapprochement Still in the Air.**
4. **Doihara Returns to Japan After Extensive Tour in China.**
5. **Canton's Reaction to Nanking's Policies Towards Japan.**
6. **Inner Mongolia Threatens War Unless Rights Granted.**
7. **Gen. Chiang Takes Stern Action to Discipline Szechuan Army Commanders.**
8. **Government Troops Smash Red Line in Kweichow With Aid of Bombers.**
9. **Italian Missionaries in Shensi City Safe From Red Attacks.**
10. **Nanking Not Informed of Fresh British Invasion of Yunnan City.**

Rengo reported from Nanking Mar. 9 that negotiations being carried on between Japanese interests and Chinese authorities for the settlement of outstanding debts incurred by the latter were proceeding successfully. It was announced that an agreement had been reached between the representatives of the Mitsui Bussan Kaisha and officials of the Chinese Railways Ministry for the readjustment of unpaid accounts for the Japanese concern's supply of railway materials to the head office of the Tientsin-Pukow Railway.

The Mitsui Bussan Kaisha, in accordance with a contract with the Railways Ministry of the Peking Government in 1916, supplied on credit the Tientsin-Pukow Railway with various railway materials, of which account $9,000,000 has remained unpaid. The settlement negotiations were in progress since last September between the manager of the Tientsin branch office of the Mitsui Bussan Kaisha and the head of the Managing Bureau of the Railway. The negotiations had resulted in the conclusion and signing of a settlement agreement between the two parties. The agreement provides for the payment of the unpaid account by monthly instalment of $30,000 for a period extending over 25 years.

JAPAN TO REPAIR CHINA'S STATE-OWNED RAILWAYS

The *Asahi* reported from Nanking on Mar. 10 that an agreement has been reached between the South Nanchuria Railway Company and China's state-owned railways, including the Tientsin-Pukow and Peiping-Hankow Railways for the repairing of the latters' locomotives by the former. The report stated that at present more than 100 locomotives are in need of repair, but as the repairing work has to be done in stages, 24 or 25 locomotives will be sent to the Dairen plant of the S. M. R. each occasion for repairing.

JAPANESE CAPITALISTS PLAN TO CONTROL CHINESE SPINNING INDUSTRY

The Oriental Development Company is preparing to take over the management of five Chinese cotton mills in Tientsin, according to a *Rengo* message from Tokyo March 15. The names of the plants involved were not disclosed, but the *Rengo* dispatch said that the action was being taken at the request of the Chinese owners.

TOKYO PAPERS REPORT JAPANESE TRADE WITH CHINA IMPROVING

Tokyo newspapers report that the projected Sino-Japanese economic co-operation is commencing to take tangible shape. Chinese merchants who had been afraid to deal with Japanese because of Government rulings are now allowed to place their orders and shipments are already beginning. For the past week, according to the *Tokyo Asahi*, Chinese wholesalers have been buying Japanese cotton yarn and cloth in heavy volume.

Until recently, stocks of Japanese cotton yarn and cloth in China totaled about 40,000 bales, with 17,000 bales in Tientsin, Tsingtao and Tsinan, 8,000 bales in Hankow and 15,000 bales in Shanghai. Most of those stocks have been sold. Prices of Japanese products are rising, due to active demand.

SUZUKI SAYS SINO-JAPANESE RAPPROCHEMENT STILL IN THE AIR

"The Chinese official circles are striving to bring about the Sino-Japanese rapprochement, but no concrete steps towards that end have yet been taken," declared Lieut.-Gen. Yoshiyuki Suzuki, the newly appointed Commander of the 19th Division, on his arrival at Nagasaki Mar. 18 from Shanghai, where he was the military attache to the Japanese Legation. Gen. Suzuki urged the Government and the people to "refresh" their knowledge of China, and counselled patience in waiting for Nanking's next step.

DOIHARA RETURNS TO JAPAN AFTER EXTENSIVE INSPECTION IN CHINA

Major-General Doihara, of the Japanese Kwantung Army, who left Shanghai on February 27 for a tour of the South-west, returned to Shanghai Mar. 18, with Major Ichida, assistant military attache, and two companions, in the ss. *Chosa Maru*.

During his trip, Gen. Doihara exchanged views with Hu Han-min, Gen. Cheng Chi-tang, Gen. Li Tsung-jen, Gen. Pai Chung-hsi, Gen. Chen Yi, Gen. Chiang Ting-wen, and other South-west leaders, on the present Sino-Japanese relations. At an interview given to the press following his arrival, he outlined his views as a result of these talks. Stating that his impressions were generally satisfactory, Gen. Doihara told of his opinions on Manchurian independence, and the Japanese attitude toward China and Manchoukuo. Though the Chinese have not welcomed Manchoukuo heartily, it is his belief that they understand Japan's intentions. In conclusion he remarked that it is his belief that the anti-Japanese boycott would soon cease in the South. He left Shanghai in the s.s. *Hoten Maru* on Mar. 20 to report on his trip to the General Staff of the Kwantung Army in Changchun.

CANTON'S REACTION TO NANKING'S POLICIES TOWARDS JAPAN

In connection with the recent visit of Maj.-Gen. Doihara to South China, Hu Han-min, retired Legislative Yuan President at Hongkong, issued a statement on Mar. 4, in which he said in part as follows:

"We are in entire accord with the proposal for co-operation between Japan and China in principle, but it must be based on the teaching of Dr. Sun Yat-sen which state, 'to ally ourselves in a common struggle with the people of the world who treat us on the basis of equality.' In order to bring about co-operation, we should first solve the troubles between Japan and China which have proved a hindrance to the promotion of relations between these two countries.

"In my statement issued on Feb. 26 criticizing Mr. Wang Ching-wei's speech on Sino-Japanese problem, I rectified his remarks for he distorted the teachings of Dr. Sun Yat-sen. In reality, Japanese, Mr. Wang, and some others have not yet understood thoroughly the dectrine of "Greater Asia' as promoted by Dr. Sun. They in pursuing their policies of surrender to Japan and invasion in China quoted a part of Dr. Sun's speech for their own defence. It should be noted here that any collaboration between Japan and China must be achieved through the support of all public sentiment in China. Without a unanimous vote of the people, any rapprochement would not be real and lasting. The Japanese Government now only relies on one or two Chinese officials in conducting the rapprochement and disregards all the things which have aggravated the ill-feeling of the Chinese people towards Japan. Such a rapprochement is, no doubt, destined

to fail. The results of the negotiations for rapprochement between Japan and Yuan Shik-kai and Tuan Chi-jui in the past may be taken as examples."

According to the *Central Press*, Chow Lu, President of the Chungshan University at Canton, commenting on the recent speech of Wang Ching-wei at the Central Political Council on China's policy towards Japan, said in part as follows:

"The Japanese found it very easy to overrun Manchuria because the northeastern troops were ordered by the Nanking authorities to move to the south of the Great Wall. Knowing that they would not resist, the invaders than occupied Kirin, Heilungkiang and Jehol. The Nanking authorities, while persistently pursuing non-resistance policy, cheated the people by shouting high-sounding slogans, such as 'Silence and Endurance," 'Resistance While Negotiating,' and 'Resistance with National Power.' Under these slogans, Nanking concluded the Shanghai and Tangku Truces, the agreement of resumption of the postal and through railway services between Peiping and Manchuria, and the preferential tariff favorable to Japanese goods. All these acts are traitorous and amount to selling China.

"New Mr. Wang Ching-wei has openly championed friendship with Japan. He declared at the Central Political Council, 'The Diet speech of Foreign Minister Hirota agrees in spirit with what we have hitherto advocated.' Hirota's speech was based on Japan's hegemony declaration of April 17 last, in which Japan was regarded as dominater of Asia and China as a protectorate. While other Powers sent protests to Japan immediately after the declaration was issued, Mr. Wang said that the matter was not worthy of a protest. Now he is ready to conclude a pact with Japan on such a basis."

The *Central Press* reported that the Chung Wa Salvation Association, the Conference of Kuomintang Representatives of Various Provinces, and the Chinese Salvation Association in North China jointly issued a telegram Mar. 1 against the pro-Japanese policy pursued by Wang Ching-wei, President of the Executive Yuan of the Nanking Government. In the telegram it is stated that Wang Ching-wei, who betrays the nation and traduces the late Dr. Sun Yat-sen as he quoted the late Leader's policy towards Japan in his own defence, must be severely punished.

BRITISH MINISTER GRATIFIED AT IMPROVEMENT OF SINO-JAPANESE RELATIONS

Sir Alexander Cadegan, the British Minister to China, called on Wang Ching-wei, President of the Executive Yuan, on March 14 and had an hour's conversation with him. According to Tang Yu--jen, Vice-Minister of Foreign Affairs, in the course of his conversation with President Wang, Sir Alexander Cadogan expressed gratification at the improvement of the Sino-Japanese relations and paid a tribute to the soundness of the Chinese diplomatic policy in general. The British Minister believed that the improvement of the Sino-Japanese relations would not only prove to be beneficial to the two countries, but also contribute to the general good of the whole world.

JAPANESE GOODWILL PLANE DUE IN SHANGHAI MARCH 23

General Wu Teh-chen, Mayor of Greater Shanghai, will entertain Momosaburo Shinno, pilot of the *Asahi Shimbun's* goodwill airplane, when latter calls at Shanghai on March 23 on his way back from Nanking. Mr. Shinno, accompanied by Kenji Tsunkakoshi, mechanic, took off from the Tokyo International Airport at Haneda at 6 o'clock in the morning March 20. The machine, a Kawasaki C-5 powered with a 600 horsepower Bavarian Manchine Works motor, passed over Osaka at 7:40 o'clock and land for refueeling at Seoul, Korea, at 11:40 o'clock. At 12:30 o'clock, the plane again took to the air, passing over Tsingtao at 2:30 o'clock (China time) and landing at Nanking at 4:30 o'clock. The distance covered is approximately 3,000 kilometers.

CHINA PROTESTS AGAINST BARRING CHINESE CITIZENS ENTERING MANCHURIA

Chinese authorities have protested with Japanese representatives at a meeting in Tientsin against the prohibition of entrance into Manchuria of Chinese citizens. This was revealed by Ying Tung and Chu Shih-cheng, officials of the Peiping Political Affairs Readjustment Commission, upon their return from Tientsin where they confereed with the Japanese officials.

The number of passengers leaving for Manchuria on the Peiping-Shenyang through express has declined sharply, with but 35 persons bound for north of Great Wall. Of the 1000 Chinese stranded in Shanhaikuan, 200 have been given permission to enter Manchuria following a thorough searching by the Japanese military. The others are still stranded there with a few returning.

Following restrictions imposed by the Japanese Kwantung Army against Chinese nationals proceeding to outside the Great Wall, the number of Chinese people going to Manchuria has decreased considerably. On March 14 only 35 people bought tickets on the Peiping-Liaoning line for Mukden.

During the past several days about a thousand passengers have been detained at Shanhaikuan as the result of Japanese authorities' refusal to permit them to continue their journey beyond the Great Wall. Of these about two hundred were eventually allowed to proceed to Mukden, while another several hundred have returned to Peiping. About 600 are still in Shanhaikwan waiting for permission for them to continue their journey.

HOPEI KUOMINTATANG MEMBERS WANT CANCEL LATION OF TANGKU AGREEMENT

Representatives of the district Tangpus of Hopei, meeting at Tientsin March 13, passed a resolution calling for the cancellation of the Tangku Truce Agreement as a condition to Sino-Japanese co-operation in North China, *Rengo* reported on March 15. The resolution characterizes the armistice pact as "humiliating" and considers it as an obstacle to real Sino-Japanese rapprochement.

TAKAHASHI ANNOUNCES MALANYU WILL BE RETURNED TO CHINA SHORTLY

Col. Takahashi, Japanese Military Attache, declared on Mar. 18 upon his return to Peiping from Changchun, that the Japanese Military authorities have definitely decided to return Malanyu to China shortly. He added, however, that as the situation at Malanyu is very complicated, the Japanese Kwantung Army authorities have worked out a comprehensive plan for the retrocession which will be taken up by the Chinese authorities for discussion shortly.

Concerning the much rumoured establishment of an air route between Manchuria and China proper, the Japanese Military Attache asserted that no such proposal has yet been formally brought up with the Chinese authorities, although he admitted that informal exchange of opinions between Chinese and Japanese authorities regarding the matter has been going on for sometime.

INNER MONGOLIA THREATENS WAR UNLESS RIGHTS GRANTED

Unless Inner Mongolia is granted dominion status by the Republic of China there will be war! This was the warning sounded by Pao Yueh-ching, Peiping representative of the Inner Mongolian Political Council, according to a *United Press* report from Peiping March 19.

"The situation is very simple," said Mr. Pao, "unless we are granted dominion status we fight!"

It was pointed out that present relations between China and Inner Mongolia are somewhat disturbed due to the change of Mongolian political leaders that China is taxing the people of that area without giving them a voice in the Central Government. Mr. Pao said that his people were not happy over the "taxation without representation" idea and are ready to go to war with the Central power unless more consideration is shown.

MONGOLIAN INDUSTRIAL COMPANY TO BE CAPITALIZED AT $1,000,000

With a view to developing the fur, leather and other industries in Inner Mongolian, a Mongolian Industrial Development Company is being organized in Peiping and regulations governing its organization have already been drafted and submitted to the Central Government for approval. According to the draft regulations, the Company will be capitalized at $1,000,000, which will be subscribed in equal sum by the Government and the private merchants interested in the enterprise. The head office of the Company will be situated in Inner Mongolia, while branches will be

established at Paotou in Suiyuan and at Haining, provincial capital of Chinghai (Kokonor).

GEN. CHIANG KAI-SHEK TAKES STERN ACTION TO DISCIPLINE SZECHUAN COMMANDERS

Asserting his authority as President of Military Affairs Commission, General Chiang Kai-shek has issued a stern order against General Lo Tse-chow, Commander of the 23rd Division, for his repeated unauthorised retreats before the enemy and the loss of his garrison areas. General Lo was ordered to be dismissed from his post and to await investigation and due punishment by a special high commissioner to be dispatched for the purpose.

General Tien Sung-yao, Commander of the 29th Army, was charged by the Generalissimo with lack of discipline of his troops and was given one demerit.

General Yang Sen, Commander of the 20th Army, was severely reprimanded for making false reports on the military situation in his defense areas.

For the determined defense of his garrisno posts against enemy attacks, General Li Chin-yu was ordered to be commanded and awarded $50,000 as an encouragement.

As the first step in purging the present corrupt system in Szechuan, General Chiang Kai-shek, has issued an order to the various ranking commanders of Szechuan embodying the following five points to be carried out immediately:

(1). Military interference in civil administration and judicial proceedings.

(2). Appointment of (military) officers in active service as District Magistrates or Directors of District Bureaux.

(3). Appointment of officers of the local militia by the local military authorities.

(4). Conflicts over privileges between the military and civil officials, and the people.

(5). Extortion by revenue collectors.

GENERAL LIU'S APPEAL FOR CO-OPERATION

General Liu Hsiang, Chairman of the Szechuan Provincial Government, has recently issued a manifesto to the Szechuan people, announcing the government's determination to lighten the burden of the people, and urging them to give their whole-hearted support to the government. Farm tax, Gen. Liu says, will henceforth be levied once a year. During the period of communist bandit suppression, military surtax will have to be levied, which, however, will be abolished as soon as the campaign is brought to an end. General Liu also promise that goods, when taxed once, will be allowed to be transported to all part of the province without further taxation.

NANKING TROOPS SMASH RED LINE IN KWEICHOW

The threat to Kweiyang, capital of Kweichow, has been effectively removed with the recapture of Tsengyi on Mar. 12. With Tsengyi recaptured the line established by the Communists between Tammei and Simyang has been broken. The 1st and 5th Red Armies have retreated towards the border of West Kweichow, while the 3rd and 9th Red Armies are still plundering the countryside in East Weichow. Further reports received in Canton state that a combined force of Kweichow, Szechuan and central government troops has virtually enveloped the Reds in East Kweichow, while the Communists in West Kweichow are likewise being besieged.

BOMBERS WORK ON COMMUNIST AREAS

The capture of Tsengyi was effected mainly with the aid of air bombers. Three squadrons of Government planes are daily carrying out bombing operations against the Reds and the Communists are commencing to evacuate towns which they have held for year.

ROUTED KWEICHOW REDS FLEE TO SZECHUAN BORDER

Following the fall of Tsengyi the Communists have fled to Jenhuai near the Szechuan border, where their further retreat is being checked by the Szechuan troops. The Government troops in Kweichow under General Hsueh Yo are in hot pursuit of the defeated Reds and the advance posts of the troops have reached Aichi, which is only a few miles from the Red defense lines. It is expected that severe fighting will develop in the Kweichow-Szechuan border, as the Government forces are determined to surround the Reds there and prevent their further spread into other provinces.

The remnant "Reds" under Hsu Hsiang-chien, in attempting to cross the Kia Ling Kiang (River) westwards, following their return to northern Szechuan from southern Shensi, suffered a severe defeat at the hands of the units of the 1st Route Army under General Teng Hsi-hou at Chiaotienkwan, Yuanpatzu, Paoliangtzu and Lichiapa. General Teng has set out for the front to personally direct the operations against the "Reds" in pursuance with the instructions of General Chiang Kai-shek.

ITALIAN MISSIONARIES IN SHENSI CITY SAFE FROM RED ATTACKS

In order to dissipate rumours concerning the safety of Italian missionaries and their property in Hanchung, southern Shensi, Dr. C. Kuangson Young, Special Inspector of Foreign Affairs for Hunan and Hupeh, has been instructed by General Chiang Kai-shek to declare that there are no Communists near the city of Hanchung and that Italian missionaries and mission property there are safe and unmolested.

Meanwhile, the Generalissimo has instructed General Ho Chien to exert every effort to rescue the two missionaries, Hayman and Bosshardt, who were captured by Reds in Kwangsi a few months ago.

NANKING NOT INFORMED OF BRITISH INVASION OF YUNNAN

In connection with the press report that fresh trouble has developed in Panhung, a disputed area on the Yunnan-Burma border, as a result of the invasion of the district by British troops, the Government authorities in Nanking declared that no official reports have yet been received from the Yunnan authorities regarding the alleged incident. Inquiries at the Ministry of Foreign Affairs also failed to elicit any definite information, either confirming or denying the report. It is understood that the Central Authorities have wired the Yunnan Provincial Government, instructing it to file an official report on the affair.

The Kwangtung and Kwangsi military leaders have dispatched a joint representative in the person of Sze Fang-pai to Nanking petition for funds to meet the military expenses in the two provinces. Mr. Sze is understood to have also been instructed to proceed to Szechuan to interview General Ching Kai-shek and report on the military affairs in the Southwest.

According to an official announcement by the Canton Municipal Government Mar. 13, the revenue receipts of the Municipality for the seven months from July, 1934 to January, 1935 amounted to $6,006,200, while the expediture for the same period was $5,880,000.

The significance of cultural reconstruction was expounded by Chen Li-fu, member of the C. E. C., in an address at the weekly memorial service at Central Party Headquarters March 18. Basing his interpretation on the ancient classcs, Mr. Chen said that civilization is a dynamic, not static, force. When truth assumes a definite shape, it becomes conspicuous and visible; it moves and then changes. The change that is wrong through human effort is called civilization. On the basis of the past, Mr. Chen continued, we must seek an interpretation for the present and determine our policy for the future. Only thus can the national spirit and the national culture be preserved and perpetuated. By cultural reconstruction, therefore, Mr. Chen added, we do not man the abandonment of our national culture and its replacement by a foreign civilizaion, nor do we mean the preservation of our national culture to the extent that it shall become static and fixed. Only by keeping our civilization dynamic can the nation be regenerated.

The China Co-operatives Union will shortly dispatch a group of experts to Japan to investigate co-operative enterprisees in that country, according to a decision reached at the recent meeting of its Executive Committee. The Union, it is learned, have elected Wang Shih-yung, Hu Chien-hung, Hou Hou-pei, Hou Che-he and Cheng Chun-ching to be members of the investigation party.

Lin Sen of the National Government will leave Nanking for Shensi early next month to pay respects before the tomb of Huang Li, the first Emperor in China, on the Tsing Ming Festival, 4th day of the Third Moon in lunar calendar or April 6. Officials who will accompany Chairman Lin in the trip will include Tai Chi-tao, president of the Examination Yuan; Shao Yuan-chong, vice-president of the Legislative Yuan; Chang Chi, vice-president of the Examination Yuan; and Chao Yih-tang, member of the Judicial Yuan.

Significance of Gen. Chiang Kai-shek's Visit to Szechuen

BY PAUL K. WHANG (汪仲芳)

THE removal of the headquarters of the Chairman of the Military Affairs Commission from Nanchang, Kiangsi, to Wuchang, Hupeh, has been generally interpreted as the first move which would eventually bring Gen. Chiang Kai-shek to Szechuen to conduct bandit-suppression campaign there. Therefore his present visit has been long anticipated. The Szechuenese, as a matter of fact, have been long awaiting him to deliver them from their present plight. Even as early as at the beginning of this year, news reports from Chungking, Szechuen, stated that elaborate preparations had already been made there to welcome Gen. Chiang. The main streets of Chungking had been gaily decorated with pailous and posters to honor the visiting General; military commanders of different parts of Szechuen had arrived at Chungking to await his arrival; and local authorities had made preparations to give him a most enthusiastic reception. Private messages from Chungking confirmed these reports, and further added that the Szechuenese of all walks of life had been pinning a great hope on his visit, and therefore they had been praying for his early appearance as piously as farmers would do for rainfalls after a long season of drought.

That the officials and people in Szechuen should open their arms to welcome an outsider to help them in setting their house to order bespeaks the fact that after long years of distress and privation, they have at the long last broken down their strong sectional feeling and prejudice. For the past two decades since the First Revolution in 1911, the Szechuenese have persistently pursued the policy of "Szechuen for Szechuenese," and frowned upon any attempt on the part of the Central Government to interfere with their political affairs. Being situated in the remote corner which is not easily accessible to the outside world, Szechuen has been practically secluded from the rest of China, and its officials have virtually had their own way of running their house, and maintained a status of semi-independence or independence in their relations with the Central Government.

The Central Government, on the other hand, having been too much occupied with political crises and foreign aggressions, has not had time to turn its thoughts to the affairs of this remote province, and resorted to the expedient of awarding its governorship to the strongest of its numerous provincial military chieftains. This indifference, on the part of the Central Government, it must be said, has very much encouraged the recurrence of fightings for the governorship and the province. Thus Szechuen has become a hotbed of civil wars and a free hunting ground of all provincial warlords.

No Outstanding Military Leader in Szechuen

Unfortunately for the Szechuenese, Szechuen has not been able to produce an outstanding military leader who can be strong enough to subdue all oppositions and bring the whole province under one-man rule. This vast province has been ipso facto divided into many small "kingdoms," and each has maintained its own government and its own army for offence and defence. This anomalous state of affairs has brought in its train continuous warfare misgovernment and heavy taxation. As a result, the people have been bled white, commerce and industry have been dislocated and provincial finance has been degenerated into a bankrupt state. In face of endless sufferings, the people have naturally become restless and dissatisfied with the existing order of things. They have eagerly turned their ears to new "isms" and alien heresies, which have promised to deliver them from their present sad fate. All these conditions have contributed to making Szechuen a fertile ground for breeding communists.

Financially and militarily Szechuen is now at the end of the rope. Although a new provincial government has been instituted, and Gen. Liu Hsiang has been appointed as its chairman, the condition is still pregnant with dangerous possibilities, as both provincial finance and army have to be reorganized, before any success can be expected in the eradication of Red banditry from that province. Both the officials and the people in Szechuen have apparently realized that they can not work out their own salvation and must beg outside assistance to help them in restoring order and stability to their house. Thus Gen. Liu, prior to his present appointment, had taken the trouble of coming down to Nanking to confer with government leaders for the purpose of securing financial and military assistance from the Central Government.

In response to their appeal, the Central Government has already despatched a representative to investigate on spot the financial ills of that bankrupt province. The forthcoming visit of T. V. Soong, it is generally believed, will also have something to do with the work of its financial rehabilitation. As to the military assistance, which is evidently more urgent than the financial one, a part of Gen. Chiang's staff has already moved to Chungking to assist Gen. Liu Hsiang in the campaign against the communists in Szechuen. Gen. Chiang's present visit to Chungking will enable him to give personal instructions to the Szechuen commanders in their forthcoming concerted drive against the Reds.

That Gen. Chiang's present visit to Szechuen will have a great political significance can not be gainsaid. Szechuen is in want of a strong military commander to reorganize the provincial forces and lead them to wage successful war against the Red bandits. Gen. Liu Hsiang, the new chairman of Szechuen, has not been able to command the respect of his fellow military colleagues—a fact which he himself acknowledged in his letter of resignation to the Central Government last year. Moreover, Szechuen provincial forces, although they have continuously participated in civil wars, are no match for the Red bandits, whose military tactics have even baffled the well-equipped forces of the Central Government, as testified to by the great reverses suffered by Gen. Liu at the hand of the communists a few months ago. Therefore the presence of Gen. Chiang and his well-equipped soldiers in Szechuen will infuse new blood to the demoralized Szechuen provincial forces and help to build up an efficient military machine to fight the Red bandits.

The successful extermination of the communist menace from and rehabilitation of that remote province will definitely bring it to the fold of the Central Government. Hitherto, it is no use to deny the fact that Nanking officials have not been able to extend their authority beyond the provinces along the Middle and Lower Yangtsze River. The extension of the authority of the Central Government to Szechuen will, of course, greatly heighten its prestige, and pave the way for the ultimate unification of the whole country.

Authority Over Szechuen—A Wholesome Influence

Moreover, the successful establishment of Nanking's authority in Szechuen will exert a wholesome influence over other remote provinces, such as Sikong, Kweichow and Yunnan, which are adjacent to Szechuen and which, as Szechuen, have been neglected by the Central Government. What is the most important is the fact that foreign influence has already made great inroads into these border provinces, and that if the Central Government continues its indifferent attitude towards them, they will most likely follow the sad fate of Manchuria. Therefore the Central Government should take the present opportunity to extend its authority to all these border provinces.

In this connection, it may be recalled that one of the three conditions for rapprochement between Nanking and Canton as laid down by Hu Han-min is, that Gen. Chiang should lead his army from Kiangsi to Szechuen and personally conduct communist-suppression campaigns there. But it must be noted the Southwest leaders have made this demand not so much for the purpose of delivering the Szechuenese from their present distress, as for removing military pressure upon Kwangtung and Kwangsi. But since the Central Government has entertained no design to conquer the Southwest by force, it can well afford to shift its forces from Kiangsi to some other provinces where military assistance is urgently needed. By so doing, the Central Government can incidentally conform to the wish of the Southwest leaders, and dispel the suspicion which has been entertained by the latter, thereby increasing the chance of rapprochement between Nanking and the Southwest.

It is our hope that Gen. Chiang, after a brief recess, will apply himself once again to the task which has kept him busy for the past five years. Since he has dedicated himself to the work of ridding China of the communist menace, he can hardly find his conscience at ease when and if Szechuen should become the second Kiangsi. All his past painstaking efforts will be of no avail, if the Red bandits, taking advantage of the chaotic conditions in Szechuen, can firmly entrench themselves in this vast and rich province and become a greater menace to the existence of this country. The success of the communists in Szechuen will invariably turn all its neighboring provinces into "red," and increase the communist influence even in those provinces under the direct control of the Central Government.

With this in view, we are inclined to believe that the fate of China hinges upon the successful rehabilitation of Szechuen, which in turn depends upon the presence of Gen. Chiang to direct in person the military campaign against the Red bandits. Under his direction, Szechuen can be saved from the sad fate of Kiangsi, and the people can be delivered from their present plight.

Shanghai, Mar. 18, 1935.

Cotton and Iron Imports Swell Japan's Import Excess

The excess of imports in Japan's visible foreign trade from the beginning of the year to March 10 was Yen 161,679,000, showing a gain of Yen 105,031,000, or 185 per cent, over the same period of 1934, Finance Ministry figures disclose. Imports gained more rapidly than exports. Total exports for the period were Yen 421,593,000, rising Yen 66,074,000, and total imports Yen 583,272,000, jumping Yen 171,110,000 over the year before. Trade volume for the year so far set an all-time record high of Yen 1,004,865,000 in contrast to Yen 767,680,000 for the year before. Continued active imports of raw cotton, heavy demand for iron consequent upon a short supply in Japan and the prosperous munitions industry and lively demand for machinery are responsible for the large imports.

Japan to Buy 950,000 Tons of Iron Ore Abroad

Japan will purchase 950,000 tons of iron ore and pig iron abroad during the 1935-36 fiscal year, beginning April 1, to cope with a national demand of about 3,100,000 tons in that period, the Ministry of Commerce and Industry announced in Tokyo March 14.

Japanese Firm Wins Siamese Bridge Contract

A contract for the manufacture of building materials for 164 small railway bridges for the Siamese national railways has been awarded to an unnamed Japanese concern, it was announced in Tokyo, March 12. The call for bids was advertised by the Siamese Government last August, and 23 companies representing nine countries participated in the bidding. The estimate submitted by the Japanese concern was in the neighborhood of Yen 300,000. Work on the bridge materials will begin immediately, in order to have them ready for shipment before November, the statement concluded.

American and British Firms Said to Be Seeking New Japanese Knitting Machine Rights

Rengo says that American and British firms are competing with Japanese interests to secure exclusive manufacturing rights to a new cotton knitting machine which produces material similar to woolen cloth in texture and appearance, Ishimatsu Kataoka, inventor of the loom, claimed in Osaka Mar. 13. The new process and its product have been declared by experts as likely to revolutionize the cotton knitting industry, Mr. Kataoka added. Not only is the new loom capable of producing a new kind of knit-work which is similar to woolen cloth in texture and indistinguishable from the latter in appearance, but it can reach a hitherto unattainable speed whereby 350 yards can be knitted in a day.

Japanese Say Break in U.S. Cotton Prices Will Help Their Export Trade

In spite of losses estimated at Yen 3,400,000, suffered by individual holders of cotton by the break of the New York cotton market last week, the Japanese cotton industry as a whole will benefit from the near panic, traders in Osaka stated March 13. The news from New York had a sharp effect on the Sampin market in Tokyo, which was compelled to close one afternoon in the face of a selling wave. Of the monthly cotton consumption in Japan, which averages about 280,000 bales, only one half or 140,000 bales, is American, but the drop in American prices is expected by traders in Tokyo to lead to lower quotations of the Indian products. These lower prices in raw material will eventually lead to to an increase in the exportation of cotton piece goods through a proportionate lowering of the production cost of the cotton yarns, thus benefiting the entire industry, Japanese spinners believe.

Japan Will Not Abandon Link with Pound Just Now

Finance Minister Takahashi's statement made in the Diet Mar. 7 that further fluctuations of the pound in the future may cause the necessity for Japan to base the yen on the dollar instead of the pound as in former times is not taken to mean, as the Finance Minister himself explained, that Japan will stop anchoring the yen to the pound immediately. The statement is regarded as an expression of the policy of the Finance Ministry that at such a time when frequent disturbances are caused to international exchange, the Finance Ministry, in order to maintain a normal position in foreign exchange, will pay constant attention to the situation and take the best measures available under the circumstances.

$100,000,000 Loan to Brazil Is Announced by Brazilian Chamber of Commerce

The Brazilian Federal Chamber of Commerce announced March 8 that it had accepted a $100,000,000 loan as proposed by Japan. The loan is primarily intended to be devoted to reorganization of Brazil's merchant marine companies but the Japanese side proposes that the fund be used also for construction of merchant vessels, modern shipyards, iron refineries and also as aids to export of oil, coal and other mineral products. Japan agrees to turn over the redemption funds for the purchase of Brazilian products.

In a formal statement to the press, Hachisaburo Hirao, who will head the economic mission being sent to Brazil by the Japan Chamber of Commerce and Industry, declared that the visit of his group would be "entirely private in character" and that the party would be in "no position to enter into any official negotiations with the Brazilian Government."

Two cotton manufacturers will be included in the Economic Mission to Brazil, which will sail for South America on April 8, namely Keizo Seki, managing director of the Tokyo Cotton Mills, and Takejiro Ito, a representative of the Tokyo Spinners' Association.

282 Japanese Army Officers Promoted, 1,000 Transferred

Two hundred and eighty-two Japanese officers were promoted, 1,000 officers were transferred and 55 were placed on the reserve list, in the biennial routine promotions and transfers of the War Ministry announced in Tokyo, March 15. Among those promoted were 45 holders of the rank of Major-General or higher.

American-Japanese Student Conference to Be Held in Portland (Oregon) in July

The second meeting of the American-Japanese Student Conference which held its inaugural gathering in Tokyo last summer, will be held at Reed College in Portland, Ore., between July 29 and August 3.

Japan's New Ships All to Be Put on New York-Orient Run

Japan's first ship improvement program is to mature at the end of this month. The new fleet of merchant marine constructed under the Government subsidy will number 36 vessels aggregating 344,724 tons. All these new vessels will be placed on the New York-Orient run. They are eight vessels for the Mitsui, seven for the Kokusai Kisen, seven for the Kawasaki, six for the Nippon Yusen Kaisha and eight for the Osaka Shosen Kaisha. The Japanese shipping companies are considering a pool for in the New York-Orient run.

Seiyukai Attacks "Brain Trust"

The alleged kinship between the National Policy Council, ("Brain Trust") proposed by the Government, and the Soviet Gosplan was assailed in the House of Representatives Mar. 18 in the course of a bitter attack by the Seiyukai party. The Council, in the form suggested by the Government, is more closely related to the Moscow organ than to the German Economic Planning Commission or President Roosevelt's advisory group, declared Mr. Hoshijima, Seiyukai. Such a body, he suggested, is very likely to violate the accepted principles of constitutional government.

Political observers believe that the Seiyukai is attacking the Council Bill because of their dissatisfaction with the "relief bill," which they consider very inadequate. The party is asking for an appropriation of Yen 180,000,000 for relief purposes.

Japan-Manchukuo Tariff Relations Under Discussion

Japan will seek an understanding with foreign powers enabling her to enter into special tariff arrangements with Manchukuo, Koki Hirota, Foreign Minister, stated in the House of Representative Mar. 18. It is inadvisable to accord preferential treatment to Manchukuo goods at the present time, as such a step may result in repercussions abroad, Mr. Hiroto added.

Japanese Traders Fear Effects of League Withdrawal

Rengo says Japanese trading circles are visibly concerned over the probable adverse effects which Japan's withdrawal from the League of Nations will have on her export business with mandated territories in Africa and Asia Minor, when Japan's relations with the League will be formally severed March 27, two years after she filed notice of her intention to leave the Geneva organization.

Germany Plans to Limit Trade with Japan

Germany's imports from Japan will be limited to one-fourth of her exports to said country, if plans now under consideration by the Reich Government are put into effect, Viscount Kintomo Mushakoji, Japanese Ambassador to Berlin, said in a report filed with the Foreign Office Mar. 18. According to the plans of the German Government, the envoy stated, imports of Japanese goods will be limited to a total value of Yen 20,000,000 a year, while exports to Nippon will be permited to reach four times that figure, or Yen 80,000,000.

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Petition to Be Filed for Reduction of America-Japan Cable Rates

The America-Japan Trade Council met in regular session in Tokyo Mar. 8, and discussed the matter of reduction of telegraph rates between Japan and New York. As a result it was decided to prepare a resolution for reduction of the rates and appeal to the Ministry of Communications after making full arrangements with the Chamber of Commerce and Industry. For the campaign in the United States the America-Japan Trade Council decided to appeal to the telegraph companies through the America-Japan Trade Council in New York.

National Co-operative Conference Urges Help for Peasants

The National Conference for Promotion of Cooperative Enterprises—jointly convened by the National Economic Council, the Rural Rehabilitation Commission and the Ministry of Industry—was formally opened in Nanking, Mar. 13 with President Wang Ching-wei presiding. Mr. Wang stated that according to official statistics, up to June last there were ever 9,000 cooperative societies in operation in 21 provinces. This represents a four-hundred fold increase over the past decade. He added that while the credit-cooperative societies are gradually on the increase, only a few banks are at present engaged in extending loans to the peasants. How investment in the rural districts should be encouraged and how such investment may be safeguarded are questions which need careful consideration, he said.

Chen Kung-po, the Minister of Industries, made a report on the circumstances leading to the convening of the meeting. Altogether 103 proposals concerning co-operative enterprises were submitted to the conference for discussion.

The conference, among other things, discussed measures for the training of experts for the direction of the cooperative movement.

A proposal that the Central authorities be petitioned to formulate official regulations governing credit cooperative societies or to revise the Cooperative Law, so as to facilitate the revival of prosperity in the cities and the rehabilitation of rural districts, it was decided, should be forwarded to the Legislative Yuan and the Ministry of Industry for reference.

A proposal for relief of the various Productive Cooperative Societies, many of which have had to suspend on account of the general economic depression, was adopted in principle; and is to be referred to the official organs concerned for immediate attention.

The meeting also adopted the proposal to petition the Central authorities to promote the work of Transportation and Sales Cooperative Societies as a fundamental measure of local economic reconstruction.

The Conference, after four days' deliberations, concluded with a brief ceremony Mar. 17.

Kiangsu Negotiates Loan of $1,500,000 from Shanghai Bankers

The Kiangsu Provincial Department of Finance, with the approval of the Kiangsu Provincial Government, has concluded a loan of $1,500,000 with a banking group headed by the Bank of China. The loan will be redeemed in eight months and is secured on the Business Tax for the 24th fiscal year (July 1, 1935-June 30, 1936) collected in Kiangsu province.

Loan Agreement for Nanchang Power Plant to Be Signed Shortly

T. L. Soong, Managing Director of the Financial Development Corporation, is proceeding to Nanchang shortly to sign an agreement for a loan amounting to $1,500,000 granted by the Corporation to the Nanchang Hydraulic plant. Construction of the projected hydraulic plant, it is stated, will be started as soon as the agreement is signed.

Parcel Post Duties Prohibited

The Ministry of Finance has issued identic orders to the provincial departments of finance of Kansu, Ninghsia and Chinghai, prohibiting the collection of duties on parcels at the post offices.

Nanking Decides to Enforce Inheritance Tax

The Ministry of Finance is reported to have decided to enforce the inheritance tax, which has been mooted for sometime.

Work on Lung-Hai Railway Proceeds Rapidly

Construction work on the western section of the Lung-Hai Railway is proceeding apace and train service will be extended to Hsienyang west of Sian before October this year, according to information from the Ministry of Railways. Plans are now under way for the extension of the Line from Hsienyang to Lanchow, provincial capital of Kansu, but in view of the great distance between the two points and the gigantic nature of the work, it is estimated that the work will take at least two years to complete.

2,171 Kilometers of Highways Completed in Chekiang

Highway construction in Chekiang has been making rapid progress during recent years. Up to the present, a total distance of 2,171 kilometers of the trunk lines has been completed, while many roadways in the rural districts have also been constructed.

N. E. C. Decides to Build Shensi-Szechuen-Kansu Highway

The National Economic Council has decided to take immediate measures for the construction of the Shensi-Szechuen and Kansu-Szechuen inter-provincial highways. It is estimated that the work will cost a total sum of $8,000,000, which will be partly appropriated from the proceeds from the ticket sales of the State Lottery and partly be raised by the Council itself.

Public Utility Enterprises to Be Supervised

The question of supervision over Public Utility enterprises operated by private interests in the country was settled definitely at the meeting of the Executive Yuan March 12, when the joint recommendations submitted by Chen Kung-po, Minister of Industry, Dr. Chu Chia-hua, Minister of Communications, Ku Meng-yu, Minister of Railways, and Tao Li-chien, Acting Minister of Interior, were approved.

Nanking Officials Organizing Fishing Industrial Company

Chen Li-fu, member of the Central Executive Committee and a number of other high Government officials, are planning the organization of a large-scale fishing industrial company with a capitalization of $400,000. A preparatory office for the organization of the company will soon be established at Shanghai.

Kiangsi Wants Lumber Tax Abolished

The abolition of the Lumber Tax in Kiangsi is urged by the National Associated Chambers of Commerce in a petition to the Executive Yuan.

Kiangsi to Spend Million Dollars to Rehabilitate Seven Cities

The Kiangsi Provincial Government has appropriated a sum of $1,000,000 for the rehabilitation of the seven cities of Ningtu, Hwei-chang, Yutu, Juikin, Hingkuo, Shihcheng and Kwangchang in southern Kiangsi, which, due to the "Red" devastation are in a grievous plight. Some of the money will be for loaned to the peasants for the spring sowing.

Ninghsia Wants Monthly Subsidy

An appeal for a monthly subsidy to tide over the financial stringency in Ninghsia province has been made to the Executive Yuan by the Ninghsia Provincial Government.

Nanking to Erect Theatrical Hall and Art Gallery

In connection with the proposal of Yu Yu-jen, President of the Control Yuan, Wang Ching-wei, President of the Executive Yuan and other high officials of the Government to erect a Theatrical and Music Hall and an Art Gallery in the Capital, *Chekiai* learns that plans are being made for the purchase of a site of 15 mow of land for the purpose. The cost of the land is estimated at $35,000, while the costs of constructions of the Theatrical Hall and the Art Gallery will be $100,0000 and $50,000 respectively.

Canton Places More Orders in England

The provincial department of reconstruction last week ordered machinery and accessories from England through Arnhold and Co., Ltd., for a new ammonia plant. The Reconstruction Department will also order additional machinery from Platt Brothers and Co., Ltd., of Oldham, England, for its silk factory in Honam. At the same time the Kwangtung Products Sales Bureau, which handles the foregoing goods, is selling tungsten or wolfram to England through Hongkong agents. The best customers, however, are Soviet Russia, Germany and the United States.

Excess of Imports Over Exports Slightly Decreased During 1934

The excess of imports over exports for 1934 was decreased by $220,000,000 as compared with 1933, according to statistics released by the Customs Administration of the Ministry of Finance March 12.

Nanking May Create New Ministry of Production

In order to develop the productive enterprises in the country and attend to their planning and execution, several members of the Central Executive Committee of the Kuomintang are proposing the creation of a Ministry of Production under the Executive Yuan, according to information from political sources. A formal proposal to this effect will shortly be submitted to the National Government and it is expected that it will be favorably received.

Shanghai Municipality Demands Surrender of Huge Area as New Wharf Site

The initial step has been taken by the City Government of Greater Shanghai towards building a larger wharf facing the Whangpoo River in the Civic Center area. The plan is known as the Jukong Wharf Project. Official notices have been issued requiring the land owners in the area chosen for the site of the wharf structure to surrender their properties. A total of 2500 mow is involved. The notice does not mention the price to be paid for the property surrendered. The Central Bank of China will undertake to build the structure, designed to provide Shanghai with a wharf for ocean-going steamers.

Dr. H.C.E. Liu Reports Great Progress in Hupeh Province

"Hupeh Province is entering a new era. The Government leaders and the people are carrying on energetically a program of reconstruction—political, educational social and economic," President H.C.E. Liu of the University of Shanghai, stated on his return from Central China last week. Dr. Liu visited Hupeh to assist in formulating a new educational program for the province. After the Hupeh Conference, Dr. Liu and his party proceeded to Nanchang on an invitation from Dr. Chen Pai-lu, Kiangsi Commissioner of Education.

Abolition of Extrality in the Making

BY C. Y. W. MENG (孟長泳)

AS early as 1903, China made an attempt to end extrality. Since then at every international conference in which China participated, China never failed to put before the conference the question of the abolition of extrality. Until the middle of the year 1931, out of 30 nations having diplomatic relations with China, only six nations, namely, Brazil, France, Great Britain, Japan, the Netherlands and the United States, still enjoy extrality, while eight other nations, namely Belgium, Italy, Spain, Denmark, Portugal, Norway, Sweden and Switzerland, have promised to surrender extrality as soon as "all other powers do so".

Out of these six powers having extrality in China, Brazil and the Netherlands having no important commercial interest in China could easily be induced to relinquish their extrality, thus leaving only four powers to be dealt with. Out of these four powers, France is a country which would neither take the lead in yielding to the Chinese legitimate aspirations; nor would fail to follow action when the other powers have done so. Japan is a country which uses the yielding to China's legitimate aspirations as a means to bargain with China for various other promises on various other "pending" problems. Such is the case also, the Chinese realize, with the United States and Great Britain.

Nanking's Untiring Efforts

This could be verified by the fact that when China notified America and Great Britain of her intention to revise the commercial Treaties of 1903, which had expired, China considered the matter very seriously. The Ministry of Foreign Affairs at once formed a Special Committee to study Sino-American and Sino-British relations. The Ministry of Justice at once formed a Special Committee to study American and British extrality in China, and to discuss about the matter of abolition. The Ministry of Industries at once formed a Special Committee to study the Sino-American and Sino-British commercial relations, and to discuss about the readjustment of the commercial relations after the conclusion of the new treaties based on the principle of equality and reciprocity. Though we are unable to know their detailed deliberations, we are reliably informed that both the Ministries of Justice and Industries have submitted the results of their discussion to the Ministry of Foreign Affairs for their "reference" when the latter takes up the negotiations with the Americans and British.

With the restoration of the customs autonomy to China, the only important problem to be discussed is about the abolition of extrality. China will never sign any treaty which still permits extrality to continue. As stated above, China has never failed to put this problem before any international conference; and China has now undoubtedly manifested her intention and determination to grasp the present opportunity—the expiration of the commercial treaties with two of the big powers—to end extrality once for all in China.

Nanking Pressing Washington for the Abolition—A Ten-Year Program

The sudden development of Sino-Japanese relations from animosity to friendliness has also something to de with the abolition of extrality in China. Both America and Great Britain have now paid special attention to the situation in the Far East. Nelson Johnson, the American Minister to China, has already returned to China. He is said to be armed with fresh instructions from the State Department regarding the revision of Commercial Treaty with China. China is reported to have paid special attention to the abolition of extrality, and is said to have demanded that America should first agree to the abolition of extrality. America is also reported to have "yielded to the Chinese demand". In the course of the negotiations, it is further reported that the abolition of American extrality in China would involve a period of 10 years. That is, the abolition of extrality would take place first in the interior of China; then in some of the treaty ports; and finally, in big treaty ports, such as Tientsin, Shanghai, etc.

Minister of Justice Interviewed

Only recently, the Ministry of Justice has formed another "Juridical Rights Research Committee" (法權研究委員會) whose sole purpose, as reported, is "to prepare China for taking back jurisdiction over the foreign nationals in China".

In a long interview with the writer, His Excellency Wang Yang-Ping, the Minister of Justice, pointed out that extrality is the "product" of the "unequal treaties", and that it is an infringement of the Chinese sovereign rights; and harmful to the Chinese people. Questioned as to what are his impressions of extrality in China, the Minister replied sharply that"I have the same unpleasant inpressions as you have, and I feel just as unhappy as 450,000,000 Chinese do when we see that extrality is still in existence in China". After pointing out the fact that extrality could not be found in any place in the world except China, Mr. Wang dwelt lengthily on many of technical points, such as the difficulties and inconveniences in prosecution, civil and criminal; and in instituting legal procedures, civil and criminal; and in handing down the decisions, etc. "I can not but express my deep regret to say that the existence of extrality in China is a great obstacle towards Sino-foreign sympathetic co-operation", the Minister emphatically stated.

Questioned as to the "steps" which China might have decided towards the abolition of extrality, His Excellency was most reticent to pass out any information in this respect, except to mention that the abolition of extrality in Japan, Siam, and Turkey would serve as good examples. "We would employ systematic and premeditated methods to consolidate our juridical rights", said the Justice.

Questioned as to what are the problems which have been studied by the Juridical Rights Research Committee organized under his Administration, His Excellency said, inter alia, that "We are fully aware of our responsibility in the present movement for abolition of extrality, so we are making studies on the completion of the Chinese laws; establishment of courts, reformation of prisons, etc., so that there may be no more ground for the foreign nationals to claim that abolition be delayed."

Questioned as to what China has done regarding the "points" raised by the commission on Extrality in China in 1926, namely, (I) Lack of legal and constitutional authority of the Chinese laws; (2) Judicial function of the magistrates; (3) Excessive powers of the Chinese police; and (4) Interference of judicial administration by the military authorities, the Minister answered first by dwelling lengthily on the judicial reform under Nationalist China, pointing out that important laws, such as Civil and Criminal Codes, Civil and Criminal Procedures, Law of Organization of Judicial Courts, etc., have all been promulgated; and Laws, such as Law of Bankruptcy, Extradition Law, etc., are now under discussion. Besides there are more than 400 modern courts, Higher Courts, and Higher Branch Courts, 100 Hsien Courts, thoroughout the whole country. The Minister informed the writer that "We are doing what we could to abolish the judicial funcitons of the magistrates, and to establish 1367 Hsien Courts within the shortest possible time. At the same time, the number of the Higher Courts would also be increased".

As far as we know, according to the Legislative Procedure, every law before its promulgation by the National Government has to be submitted to the C. P. C. (Central Political Council), the highest organ of the Kuomintang; and the Legislative Yuan, now the law making body, for discussion and approval. Only after being approved by the Legislative Yuan, would the law be promulagated and enforced. So the complaint that the Chinese laws are lacking in legal and constitutional authority no longer holds good today.

According to the Minister of Justice, thoroughout the country there are about 94 modern prisons, 85 branch modern prisons, and 15 under construction, all of which are provided with reformative and sanitary facilities. The Minister further informed the writer that the Ministry has decided to build 221 new prisons, 1521 branch prisons, 41 juvenile prisons, 20 prisons for insane persons, etc. So it is right for us to say that the number of modern prisons in China has greatly been increased since 1926 when the Extrality Commission visited China.

Dealing with the military interference of judicial administration the Minister considered "this is only a matter of the past", adding that, "as the military power is now being concentrated in the Central Government, we should see no more military interference of the judicial administration hereafter", concluded the Minister.

Probable Steps Towards Abolition

Chung Kuo Jen Pao, generally known to be very closely affiliated with Nanking official circles, in an editorial comment in praising the good efforts of the Ministry of Justice, and in congratulating the formation of the Juridical Rights Research Committee, considered such organization as "timely", when China is preparing to take up the "second period of revolutionary works". The paper agreed that in order to avoid all possible difficulties, the abolition might take place "by gradual process" in different "districts", to be decided by the local conditions, the number of foreign residents, means of communications, etc.

The paper further suggested that in some Sino-foreign treaties which provide only the granting of extrality to the foreign nationals in China in some "treaty ports", such foreign nationals should now be under Chinese jurisdiction when they are out of these ports. Secondly, in some Sino-foreign treaties, which mention specifically that only some of the criminal cases should come under the consular jurisdiction, hereafter, besides these cases, all other criminal cases should come under Chinese jurisdiction. Thirdly, in some Sino-foreign treaties which provide that both the Chinese and foreign authorities could make arrests of the criminal and search for evidence, etc.—hereafter, the Chinese police alone should do so. Fourthly, hereafter it should be expressly required that in every dealing between the Chinese and foreign nationals, specific provisions should be made that the undertaking should be strictly under Chinese laws; failing which it would render the whole contract void.

The opinion so expressed above, though it does not express the official opinion, nevertheless represents very closely the general opinion of the Chinese leaders in power today, and also of many of

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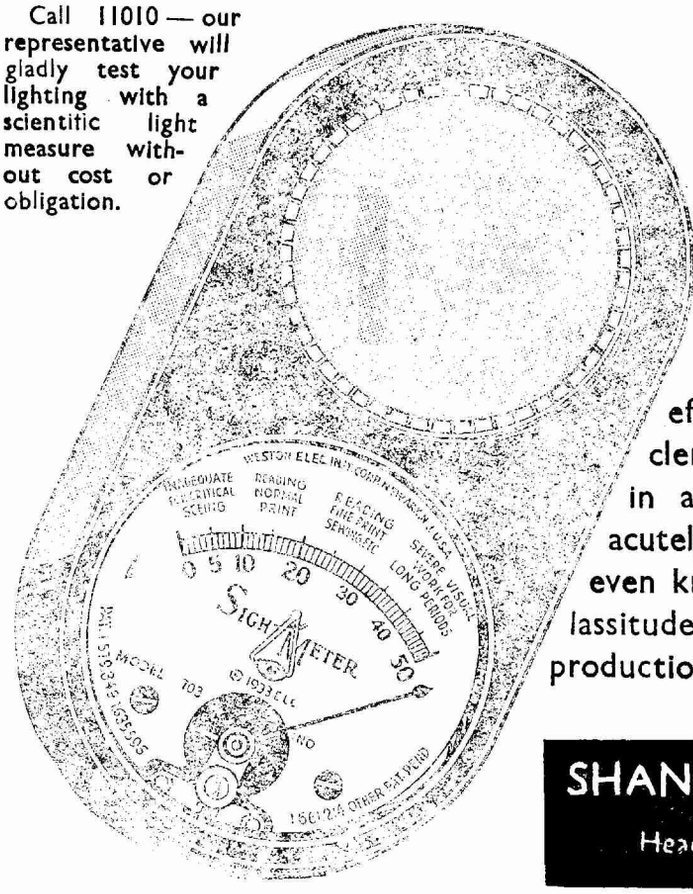

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the Chinese people, who used to style themselves as "realists" and who always agree to handle the negotiations with the foreign powers by conciliatory, rather than radical methods ;by revolutionary or gradual process, rather than revolutionary ways; by mutual agreements, rather than by unilateral or arbitrary action. By adopting such policy, whether the Chinese have departed from their "revolutionary diplomacy" or not, we do not discuss here. But such policy might be advantageous in the respect that it gives good room for both parties to be more concilitatory, making the abolition of extrality far more negotiable, though such process might take some time.

Nanking, March 15, 1935.

Nations of the World to Sign Roerich Treaty to Protect Culture

On April 15 at the Pan-American Union in Washington, many nations of the world will gather to sign a Treaty unique in the relationships of nations—the Roerich Treaty for the protection of the cultural monuments of the world. Prof. Nicholas Roerich in past years made extensive expeditions into Central Asia, and the sight of priceless archaeological treasures ruthlessly hacked not only by vandals but even by western travelers, impressed on him the need of such a world agreement. In 1929 on his return to America from Central Asia, Prof. Roerich formulated his project into the present international Pact. Some of the world's greatest military authorities are supporting the movement. The Third International Convention which recommended to the Governments of the world to sign the Roerich Pact, was held in Washington in November 1933, with the participation of official representatives of 35 nations, and under the protectorship of Henry Wallace, Secretary of Agriculture, the honorary chairmanship of Senator Robert F. Wagner, and with Louis L. Horch, president of Roerich Museum as chairman. Immediately following this, official action was taken on the Roerich Pact at the Seventh Pan-American Conference in Montevideo, at the proposal of Chile, where a unanimous resolution was passed recommending the adoption of the Roerich Pact by all the governments of America. On the basis of these Recommendations, the Pan American Union, at Washington, drew up the Treaty on the Roerich Pact, which is now open to signature by all nations.

In thus incorporating the Roerich Pact into the international code, the nations for the first time in history pledge themselves to the principle that the achievements of human genius belong to all men, in peace as well as war; that the nations should protect the artistic, scientific and educational treasures of their fellow nations; that an act of violence against this common heritage is an international crime. In other words, the nations unite for the first time upon the basis of a mutual vigilance for the world's culture.

Agitation Against Chinese Egg Products Falls Flat in England

Agricultural interests in England were successful last week in bringing the subject of the importation of Chiness egg products up for discussion in the House of Commons. The object was to cause public prejudice against the China product in the same way as was done about twenty years or so ago when pork products were first begun to be shipped from China to England. As was the case with pork, the agitation against Chinese egg products has fallen flat, and the British government is not taking any action to discriminate against Chinese products from this country, merely observing the usual precautions which are invoked in the case of all food product importations.

Regulations Governing Fortified Zones in China Promulgated

Revised regulations governing fortified zones in China, consisting of 16 articles, were promulgated by the National Government in an official mandate Mar. 12. Under the general heading of Restriction and Prohibition, Article 4 states that (1) without the express consent of the highest military organs, surveying, photographing, mapping, and military investigation, is prohibited in the first area, (2) without the permission of the fortress commander, fishing, hunting, mining, boat-docking and digging is prohibited in the first area, (3) without the permission of the fortress commander, erecting new buildings, repairing old ones, building walls, digging wells, or other construction work that may change the elevation of the ground is prohibited.

409 Chinese Students Went Abroad in 1934

According to statistics compiled by the Ministry of Education, 409 Chinese students went abroad to continue their studies during the year of 1934. Of this number, 213 went to Japan, while the rest was distributed among the United States, England, and the various countries in Europe. Those who went on Government scholarships totalled 80, while the remaining 329 were all private students.

Germany Decides to Arm---Defies Versailles Treaty

A Berlin telegram Mar. 15 stated that the determination of the German Government to cast aside the fetters of the Versailles Treaty and formally to establish a military air force on April 1, has created the greatest enthusiasm in Germany. Despite unfavorable reactions in Paris, Rome, and other European centres, the necessary steps to implement the Reich's decision have already been taken.

According to a semi-official report published Mar. 15 provision for an adequately trained air defence force and the rigorous drilling of every member of the public in air defence and protection are the chief plans to make Germany impregnable against air attack.

Meanwhile, work has already started on the erection of great new barracks near large towns to accommodate newly-formed squadrons and flying corps. Over a dozen such bases are being built around Berlin alone, forming a formidable ring of defences for the heart of the nation. Seaplane bases are also in the course of erection on the Baltie Coast, but the defences in East Prussia are considered adequate.

Adolph Hitler, Germany's Reichsfuehrer, issued a proclamation Mar. 16, which declared that Germany has decided upon the general rearmament of Germany and the immediate reintroduction of compulsory military service. A peace army of 12 army corps consisting of 36 divisions (500,000 effectives) is provided for. Herr Hitler, justified the decision of the Reich Government to reintroduce general compulsory military service on the ground of the alleged failure of other nations to observe the terms of the Versailles Treaty. The declaration has created a furore in diplomatic circles throughout the world. Among other things it cited the increasing strength of France and Soviet Russia as justification for the move. A grave view of the situation is being taken by authoritative circles in London, Paris, Rome, Geneva and Washington, where serious concern is felt at German re-armament and where it is pointed out that the new German law authorizing conscription violates the German-American Treaty of 1921, which contains the same military restrictions for Germany as those provided by Part Five of the Treaty of Versailles. Official comment, however, is withheld in the world capitals pending a consultation among the Powers concerned.

First enrolments under the new conscription law will begin on April 1, according to official announcement made in Berlin, Mar. 18 and will comprise Germans born in 1914. The term of service is not expected to exceed 12 months. Everyone between the ages of 21 and 25 is liable for recruitment. Germans between the ages of 25 and 30 are to be transferred to the reserve and will be required undergo military training for a period of six weeks during two consecutive years.

General von Blomberg, Reich Minister of Defence, speaking in memory of Germany's war-dead, in a speech declared that a new world war would be tantamount to self-destruction. The Germans, he said, wanted peace, with equal rights and equal safety for all peoples.

Fear of a rearmed Germany hung heavily over the French Chamber of Deputies Mar. 16 as the members discussed the government's bill to raise the period of military service in France progressively to two years and to increase the enlistment of professional soldiers. A sensation was caused when M. Jean Fabry (Left Republican), who is president of the Army Commission, announced that, in view of Germany's rearmament, it might be necessary to extend the term of military service to three years.

Lloyd George, Britain's wartime Premier, in an interview said: "There is no reason for panic. The signatories of the Versailles Treaty had no moral right to enforce those clauses of the Versailles Treaty which they themselves have flagrantly and provocatively broken."

Japan's Interest Aroused by German Rearmament Move

Intense interest was shown by Japanese Foreign Office officials regarding the possible consequences of Germany's decision to reintroduce a general compulsory military service. Japan, as one of the signatories of the Versailles treaty, a spokesman stated, will naturally be consulted by European Powers as to the attitude she will take with regard to the possible application of the sanctions against Germany provided for in the pact. However, the Japanese Government, because of the geographical position of the country and because of the comparatively small interest Japan has in European political developments, will prefer to maintain a "wait and see" policy, he indicated.

Following a meeting of the British Cabinet Mar. 12 at which Germany's decision to rearm was discussed, Sir John Simon, the foreign secretary, announced in the House of Commons that Sir Eric Phipps, the British ambassador at Berlin, had been instructed to deliver a note of protest to the German Government.

It is reported from Berlin that Germany, having attained military equality, sees no further obstacle to resuming her place in the League of Nations.

Red Army Is Ready for War Says Kalinin

The Red Army's preparedness for war was affirmed by the chairman of the Central Executive Committee, Comrade Kalinin, at a special meeting in the course of which decorations were distributed to a number of officers of the Red army headed by the War Commissar, M. Voroshilov. Comrade Kalinin said, "Several representatives of the Red army have assured me that its bullets as well as its swords are sharp and ready for use. This, however, is insufficient in view of the new war which can break out suddenly. The outbreak of the war night come at any moment and it behoves as them therefore to be ready for all emergencies."

Moscow *Izvestia* commented:—"The decision by Germany to expand her army, is a measure aiming at maintaining her freedom from any obligations concerning security. The of of Germany must have unlimited possibility to fall on any victim that German imperialism may select. Germany, not only knocks all trump cards from the hands of her opponents, but wins still more internally by augmenting inside of the country a wave of nationalism that should strengthen the position of the Fascist Government."

Swanson "Not Very Hopeful" of International Agreement

U. S. Secretary of Navy Swanson, is "not very hopeful" of securing an international agreement for naval limitation to replace the Washington Treaty, according to a message from Washington Mar. 13.

Japan's Military Expenditures Show Highest Ratio in World

A Ministry of Finance survey made public in Tokyo Mar. 15, shows that for the past five years, Japanese military and naval expenditures have been the largest in the world in proportion to the total budget. The ratio of sums assigned to national defense needs in Japan has risen from 27.18 percent of the total governmental expenditures in the 1930-31 fiscal year to 46.26 in the financial period of 1934-35, the check-up showed. Unofficial estimates have placed the proportion of military and naval appropriations in the 1935-36 budget at 46.6 percent of the total. Japan is followed by France as the country having the largest proportionate military and naval appropriation from 1930 to 1933, but in 1934 Italy moved from third to second place.

Rengo furnishes the following table showing the percentage of military and naval expenditures in the total budgets of the six nations:

	1930-31	1931-32	1932-33	1933-34	1934-3
Japan	27.18	34.65	36.71	42.54	46.62
Great Britain	11.67	11.72	11.03	13.01	13.57
United States	21.50	19.54	18.68	8.66	18.14
Germany	5.88	6.44	8.21	11.32	13.85
Italy	22.02	22.85	23.36	21.67	21.57
France	25.79	27.20	26.29	22.76	21.29

Japanese See Danger in Pan-American Airway Enterprise

Japanese naval authorities characterize the granting of a permit by the United States Navy to the Pan-American Airways for the use of Midway, Guam and Wake islands as bases in the projected California to China air mail service as "military preparations in the guise of private enterprise." The terms of the permit given to the airways company by the Navy Department, officials in Tokyo March 14 said, "clearly indicate" that the bases "will be used for military purposes in the future."

Britain's First Lord Attacks Japan's Claim for Equality

Sweeping attack against Japan's proposal for naval equality was launched in the House of Commons Mar. 14 by Sir Holton Meredith Eyers-Monsell, First Lord of the Admiralty, who asserted that Great Britain holds the principle of equality to be based solely on that of security.

Demilitarized Zone May Settle Italian Abyssinian Dispute

The first step towards a restoration of friendly relations between Italy and Abyssinia was taken March 16 when an agreement in connection with a neutral zone between Italian Africa and Abyssinia was signed near Gerlogubi. The Abyssinians requested a delay of 12 days before delimitarizing the zone, which comprises Uadfug, Ual Ual, where two serious clashes between Abyssinians and Italian Somaliland troops occurred recently.

Murderous Attack on King Ibn Saud Fails

King Ibn Saud of the Hejaz and of Nejd and his eldest son the Crown Prince, Emir Saud, had a narrow escape from assassination during early morning devotions in Mecca Mar. 15. The Crown Prince, in shielding his father, received a stab in his left shoulder. Both the would-be assassins were Zeidis from Yemen, the Arabian State against which King Ibn Saud went to war last year. They were shot down on the spot by the king's bodyguard.

Heir to Siamese Throne to Remain in Europe

Contrary to expectations previously expressed in Bangkok that the "Boy Ruler," King Ananda, will return later this year to Siam for his coronation, it is believed that he will remain in Switzerland for another two years to complete his studies and "for the sakeof his health."

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How the Nanchang Banditry Reformatory Operates

BY S. Y. CHI (季世英)

THE establishment of the Communist-Bandit Reformatory under the auspices of Generalissimo Chiang Kai-shek's Headquarters constituted one of the most important piece of humanitarian work ever undertaken by the National Government to save thousands of lives of Communism-imbued people captured in the battlefield or surrendered at the front, and to turn them into useful citizens.

Ever since its being removed to Kiukian gin April, 1934, Col. Hsin Yao-sin, Superintendent of the Reformatory, has been doing his best to introduce changes for the improvement of its organization and administration, which has won the approval of the Generalissimo and his chief secretary, Gen. Yang Bun-tai.

Organization

Under the Superintendent, there are a Secretariat and three departments of general administration, disciplinary training, and education, and a provisional confinement camp and a hospital. The Reformatory is divided into three departments, to wit, for the surrendered inmates, captured prisoners, and penitents, the latter being composed of former Red officers and men of higher education. In each department, several sections are created for the sake of convenience in administration and efficiency. At present, the number of administrative personnel is 140, that of guards and warders 250, and that of reformatory inmates 5,300.

In every one of the three departments for the surrendered captured and penitent inmates, there are rooms set aside for recreation, library, bath, laundry and office rooms, in addition to bedrooms, class-rooms and reception halls. In all these rooms, strict maintenance of cleanliness and orderliness is a special feature that attracts both foreign and Chinese visitors.

In order to attain the object of better administration and efficiency, committees are formed to take charge of financial, physical and general administrative affairs. They are, Financial Auditing Committee, Examination Committee, Physical Culture Committee, Boy Scouts Headquarters, Nursers' Training Class, Officers' Training Class.

Administration

The Reformatory lays much stress upon the disciplinary training of the inmates. The training centers around spiritual education, technical art education and productive education. All the inmates are organized into four grades in accordance with their educational standard, and an open air class for the illiterates and another special class for women who number about 150. The first grade corresponds to the standard of the lower primary school, the second grade to that of the higher primary, the third grade to that of the junior middle, and the fourth grade to that of the senior middle or college. Altogether there are now 13 classes with 1,300 students.

The curriculum for the four grades includes: Kuomintang principles, mother tongue, civics, common sense, history, geography, arithmetic, agricultural science, Red scourge, co-operative principles, basic principles of autonomy, lectures, music, art of using abacus; that for the open air class is to learn to read and to attend common sense talks, and that for the women's class concentrates on the learning of handwork, such for instance as, sewing and weaving, and the knowledge of nursing.

The routine life of the inmates is to study for three hours in the classrooms, to take military training for two hours in the field, and the rest of the times given to calisthenics, athletic sports, recreation, balls, music or reading any books or newspapers that are allowed in the library.

For those who intend to learn a trade as a means of earning a living manufacture of soap, candle, stockings, towels, sandals, mats, and sewing, weaving, painting, printing, capentry, etc. are being taught in the separate miniature factories in the Reformatory. There are about 300 of them learning the trade in the factories, working eight hours a day.

Productive education leads in the agricultural experiments and practices. A plot of 100 *mou* of land is well prepared for such purposes and divided into three areas for farming, forestry, and vegetable and flower gardens, and two nurseries for trees and flowers. In addition to the above, a domestic fowl and animals garden has been formed for the students to do research work.

For the convenience of control, the 5000 inmates are arranged into three large companies, each of which is again divided into three middle-sized companies, headed by lieutenant officers, who go on duty by turns.

During their six months' training in the Reformatory, the inmates are given a certain amount of allowance under the following conditions: $20 and $12 per month for surrendered and captured officers respectively and $7.50 and $6 for surrendered and captured soldiers respectively. To all penitents irrespective of officers and soldiers, $6 is given apiece. Out of their allowance, each has to pay $4 for food. However, the Reformatory provides them blankets, clothing and uniforms free of charge, but as regards things of daily use they buy them in the Reformatory's shop, where is stores the produce of their own factories.

Kiukiang, March 14, 1935.

Press Comment on Influence of Japan's Military

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

SINCE toward the end of last year the Japanese periodicals have published an increasing number of articles on military topics.

Sogoro Tanaka (田中惣五郎)—*Kaizo, January:* Since the Manchurian incident the military circle has been active in all national functions. It appears that not only the Manchurian administration reorganization question but budgetary and even labor questions are seeking the military's understanding. Furthermore, voicing the need of strengthening the state defense the military has come to take up the question of controlled economics. At such a juncture the question which never fails to put up its head is that of military men's participation in politics—that they ought not dabble in politics. That they exercise a great influence over the state politics is because of the fact that they do not participate in politics. The political parties, to win in their rivalry with the military, should never forget that, instead of denying the military men political rights should let them enjoy the possession of the right.

America's Wrong Impression of the Nippon Military

Fumimaro Konoe (近衛文麿)—*Ishin, December*, 1934: It is undeniable that the essential nature between the Japanese and Western races brings about hazy understanding between them, but this is not the only thing that misrepresents Japan in Europe and America, for it is because of the disunited national opinion of our country that they are disinclined to endeavor to understand the insistence of our country. As all are well aware present-day Japan has not a foreign policy unchangeable as a fixed state policy . . . . . The Foreign Office still holds fast to the helmless principle of preventing the water's surface from starting ripples and considers it its basic principle to cooperate indiscriminately with any country of the world . . . . So long as the Japanese themselves are thus deprived of the foresight of themselves, there is no demonstrating our foreign policy clearly before the world. The Western nations can, therefore, not necessarily be said as lacking due recognition of our state policy.

What the nation should take to heart at present, is, among all others, that she has no united national opinion. In the United States they hold the view that the liberalists, democrats and government authorities of Japan are not satisfied with the status quo, but, being oppressed by the influence of the military, they are compelled to follow the general current. In American eyes present-day Japan is in a temporary abnormal condition of a transitional period, which, however, will in no time be restored back to normality in consequence of the deadlock reached by the military. This is because the military circle around our country has on various occasions been demonstrated among the Americans as if it were isolated from the masses. Consequently, therefore, Americans never correspond to the diplomatic calls of our Foreign Office, picturing in mind that the Shidehara period before the Manchurian incident will eventually come round.

The Development of Military Ideology

Kanichiro Kamei (亀井貫一郎)—*Kaizo, January:* One of the young military officers gave the development of the military ideology of Japan briefly and concisely as follows: "Until about the time of the World War the military circle in cooperation with the political parties, has done its utmost in the imperialistic development of Nippon capitalism, and the state defensive duty at that time recognized it as appropriate in view of the situation in all countries of the world. The military duty of this stage came to an end with the arrival of the period of the matured capitalism after the World War, and parting with the political parties the military determinedly quit following the road of capitalism. This turn in the military was made, because the gulf between the rich and the poor deepened by the development of capitalism and the consequent class rivalry, could no more persuade the military to cast their lot with capitalism from the standpoint of national defense....Through such a course the military has come to a closer contact with the state and the nation, in a truer sense of the word, while the political parties continued to act as a cat's paw for financial cliques. The military circle has stood in rivalry with the political parties. After the Manchurian incident the ideology of the military took an ordinary development, and it now feels the need of the true cooperation with the men of intelligence and general masses of the people.

How Should the Military Behave or Be Made to Behave?

Kojiro Sugimori (杉森孝次郎)—*Keiazi Orai, February:* Viewed from the state policy of the country the raison d'etre of the military is extremely strong, but it should also firmly catch hold of politics. On the part of the people they too should possess politics, so that they may be able to cooperate with the military. This tendency will become more and more manifest in the future.

Takanobu Murofushi (室伏高信)—*Keizai Orai, February:* The military had better behave a little more politically.

Taketora Ogata (緒方竹虎)—*Keizai Orai, February:* In my idea both the military and the bureaucrats are "technic." Upon it politics should rest. If the military circle could safely leave the politics in the hand of the politicians, it would devote its entire energy in promoting national defense. To grumble that the military is arrogant is wrong, because it is no other than ourselves that make it do so.

Kaiyoshi Akita (秋田清)—*Keizai Orai, February:* I believe the nation understand the outline of Japan's foreign policy and questions relating to it. But it is a pity that the politicians and partymen who assume the responsibility of the state function are in reality dragged on by the people. Present day Japan is lacking in a sufficient power to carry out the state policy . . . . I understand that the military circle is regarded as the leader of the nation, and I too feel like recognizing the existence of this tendency. But, in my opinion the military circle is not an exception; it hesitates to bravely carry out the state policy.

Zimmerman Divorce Case Still Undecided

The Russian community of Shanghai has for the past several months watched with great interest a contest between Morris Zimmerman and his wife Freda Zimmerman. Mrs. Zimmerman, as the result of a previous marriage, became the proprietor of considerable property in Shanghai, and in Russian eyes is a wealthy woman. Her present husband and she have for the past year or so not been on friendly terms and the wife has for several months past been living at the Cathay hotel, while the husband continues to occupy their premises at 10 Route Pottier. Mrs. Zimmerman employs a bodyguard at the hotel to prevent her husband or any of his friends to intrude upon her, but according to evidence given at a recent hearing, Mr. Zimmerman, through a ruse, was able for a time ot least to get in close proximity to his estranged wife. He had a male acquaintance of his become the tenant of the room next to the one occupied bv Mrs. Zimmerman, and, on occasional visits to this room, Mr. Zimmerman tried to open up communication with his wife, by knocking on the wall to attract attention, and so on—but all to no purpose. The wife brought a divorce action against her husband in the Second District Court about half a year ago, In her complaint Mrs. Zimmerman accused her husband of assault with intent to murder and of attempting to gain possession of her property. The court did not comply with her requst for dissolution of her marriage following several hearings and rejected the case on the ground that reasons advanced did not constitute or warrant such a demand. Dissatisfied, Mrs. Zimmerman appealed the decision to the Third Kiangsu High Court a month ago. Duing the last session in February, Mrs. Zimmerman brought to the court witnesses to prove the alleged conduct of her husband toward her. The *China Press* says that Mr. Zimmerman, a fat, tall and mild-looking gentleman, presented a smiling and a cheerful appearance when facing trial before the high court. Mr. Zimmerman asserted that he was kind and even tender toward his beloved wife. He contended that his wife had a sort of mental illness some years ago and that she is still subject to this disease. The court, following a questioning of witnesses on both sides and an examination of evidence by Mr. Zimmerman to corroborate his allegations, ordered that a medical test of Mrs. Zimmerman's health be first conducted by the court physician before the opening of the next hearing.

In the meantime, Mr. Zimmerman has scored another victory to the extent that the high court has awarded an intermediate decision on a separate suit filed by Mr. Zimmerman, concerning the administration of properties belonging to the two parties concerned, in which Mr. Zimmerman has been named the sole administrator for the time being. Any transaction or transfer made by Madame Zimmerman, without the written consent of her husband will be considered as null and void and will entail the responsibility of parties to such transactions, it was ordered. Notices giving details of the court's decision were prominently advertised in the daily press by Mr. Zimmerman.

Tsing Hua Students Demand Resignations of Two Officials

Further trouble at Tsing Hua Univetsity broke out last week when the Student Association passed a series of resolutions, one of which demanded the resignation of Leo Shen, executive secretary of the University, and Pi Chen-hsuan, business manager. Anothef resolution adopted was that the Student Association should work for the release of any student arrested by the police, against whom there was no evidence of participation in reactionary activities. The meeting was attended by more than 500 students. In order to compel as many students as possible to attend, the officers of the Association resorted to the expedient of putting out all the electric lights in the dormitories and class rooms except those in the auditorium, and also of locking up the Library. The University was placarded with slogans against Mr. Shen and Mr. Pi.

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Dr. Sherwood Eddy Replies to "Christian Century" Criticism

Following a criticism made by the *Christian Century* of Chicago, Dr. Sherwood Eddy wrote to said journal Feb. 20 that he viewed Communisin in Russia and in China differently because there were two different situations, as pointed out in his two books, "Russia Today" and "The Challenge of Russia;" he felt that if one country like the Soviet union can successfully begin to build a classless society based upon social justice it will inevitably change history and force the capitalist nations to put their own houses in order. He said he believed the new order of Soviet Russia is the most significant experiment in our little world today.

After reciting some of the atrocities committed by Communists in China, Dr. Eddy said: "As I have faced 170,000 non-Christians in audiences in twenty cities in China, seeing this country menaced by the advancing imperialism of Japan on the one side and of ruthless, atheistic communism on the other, while between the two China is sinking as her own worst enemy, I have felt the thrill of a great "good news" which the early Christians must have felt as they faced their foes in the decaying Roman empire. The rise of communism in China will mean decades of civil war with literally millions perishing in this impoverished, overcrowded population as in another Taiping rebellion. Perhaps China, or parts of it, may finally come to that. But I for one cannot sit idly by while this glorious yet tragic people sinks to its doom or is dragged into a Babylonian captivity of cruelty, whether imperialist or communist, if I can help to prevent it by offering a better way of life."

Defense Lawyer in Palace Treasure Theft Case Drops Dead at Trial

Tsao Chu-fan, 61, attorney for the defendants, Liu Kwang-ao and Hsiao Hsiang-pei, who were arrested in Shanghai last year charged with theft in connection with the Peiping Palace treasures suddenly crumbled on the floor at the lawyers stand, victim of a stroke of apoplexy, while making a preliminary statement for the defense of his clients in the District Court at Nanking Mar. 15. Physicians were immediately summoned to the Court, but all efforts to save his life proved futile. The aged lawyer passed away in the courtroom without the presence of any member of his family. The hearing was indefinitely postponed.

China Can't Even Boost Her Own Native Goods

(*Japan Chronicle, Kobe, March 10*)

According the *Nippon Dempo* service, as quoted in a Shanghai paper, General Doihara has demanded the immediate dissolution of the All-Nanking Native Goods Promotion Society. This is not at all surprising; but it is surprising to learn from the same source that Mr. Ariyoshi has also declared that campaigns for the encouragement of the use of home-produced goods were a proof that China lacked sincerity. Considering quite recent performances in Japan, when exhibitions were got up all over the country and foreign goods frequently libelled in the descriptions given where they were exhibited alongside the Japanese substitutes; and considering the eternal preaching against the "worship of foreign goods," it is surprising that the Chinese have been so tardy in following suit, What is economically right and patriotic for Japan can hardly be wrong for China, and it is rather unreasonable to declare that exhortations to the Chinese to use Chinese products amount to a continuation of the anti-Japanese boycott.

Nanking to Establish Special Bureau to Control Rice Imports

In order to deal effectively with the problem of excessive imports of rice from foreign countries, it is learned that the Central Authorities are considering the establishment of a special bureau to attend to the matter. The Bureau, when established, will first make a study into the stock and market conditions of the rice in the country and then decide upon the extent to which foreign imports might be permitted to enter China. It will also undertake the registration of all imported consignments and check their entry so that effective control may be established over them. It is understood that the Bureau will be placed under the jurisdiction of the Central Bank of China.

Arbor Day Observed in Nanking

Arbor Day was observed by the officials of the Ministry of Foreign Affairs in Nanking Mar. 12 when a simple ceremony was held on the lawn of the Ministry. President Wang Ching-wei, concurrently Minister of Foreign Affairs, spoke briefly on the significance of the Day, and personally planted a pine tree in the center of the lawn.

HIROTA EXPLAINS SINO-JAPANESE RELATIONS TO HIS SON

(*Lin Yu-tang, well known as the contributor of the "Little Critic" column in the* China Critic, *wrote the following, which appeared in the issue of March* 14. *Sometime ago Mr. Lin amused Shanghai with an imaginary conversation on Sino-Japanese relations by a Chinese diplomat, speaking in pidgin-English. In this artilce, Mr. Lin presents an imaginary conversation between Mr. Hirota, the Japanese Foreign Minister, and his little son, also on the subject of Sino-Japanese relations. Apologies were offered to Beverley Nihcols.*)

The Child: Daddy, who's coming to tea this afternoon.

Hirota: Wang Chunghui.*

The Child: Who is Wang Chunghui?

Hirota: He is a Chinese.

The Child: Do you make friends with the Chinese, daddy? You told me the Chinese are not half as good as the Japanese. My teacher told me all sorts of nasty things about the Chinese everyday.

Hirota: Will you shut up?

The Child: May I come, too? I want to see this Wang Chunghui.

Hirota: Dearie, I would let you, if you didn't have that awful habit of asking questions. But today, we are going to talk about Sino-Japanese relations. You won't understand.

The Child: Are Sino-Japanese relations very difficult to understand?

Hirota: Very.

The Child: Why is it very difficult to understand?

Hirota: We want to make friends with the Chinese, but they don't want to make friends with us.

The Child: Why? Do they hate us?

Hirota: They do. They hate us more than they hate the Europeans.

The Child: Why is that? Have we been worse to them than the Europeans?

Hirota: Now, will you stop twisting that string around your fingers!

The Child: But why do they hate us if we have been good friends with them?

Hirota: The "Manchukuo."

The Child: Is "Manchukuo" their country or our country?

Hirota: Now, you are monkeying with that string again. You are dropping fibres on the carpet.

The Child: How are you going to be friends with the Chinese?

Hirota: We will lend them money and we will give them advisers

The Child: Don't they have European advisers already? Do the Europeans want to make friends with the Chinese, too? Will they lend China money?

Hirota: They will, but we must not let them. Sonny, you must understand: When they lend money to China, they will dominate China.

The Child: And when we lend them money?

Hirota: When we lend them money, it is to make friends with them and help them.

The Child: Then the Chinese will take money from us rather than from the Europeans.

Hirota: No, they won't, unless we force them to take our help.

The Child: That is very funny. Why do you force them to take our help, if they don't want it?

Hirota: Don't stick you finger in the mouth. And you haven't seen the dentist yet!

The Child: Very well, but daddy, do you think, if you were a Chinese, you would trust the Japanese?

Hirota: You see, dearie, we haven't been exactly friends with them. But now, we will make friends with them, we will lend them money and we will give them advisers and we will police their country and put the country in order for them. We want to make them see the *real* intentions of our country.

The Child: What are the *real* intentions of our country?

Hirota: You idiot! I told you already. I want to make Wang Chunghui see that we really want to help them this afternoon.

The Child: Is Wang Chunghui an idiot?

Hirota: How dare you! He is a very great jurist and a very learned man.

The Child: Shall I grow up to be a Wang Chunghui?

Hirota: You may try, if you work hard at your lessons.

The Child: Suppose I am Wang Chunghui, how are you going to tell me the real intentions of our country?

Hirota: Why, sonny, I would tell you how we are going to lend you money and give you military advisers and police your country and put your country in order.

The Child: Tell me, daddy, why do you really want to do all this? Can't you let China alone?

Hirota: You see, we want to capture the entire Chinese trade and drive out all the Europeans from China. We can sell a lot to them and they can buy a lot from us. This is good, for this Pan-Asiaticism is very good. And we must get China to fight on our side against the Russians. We haven't got iron, we haven't got cotton, we haven't got rubber, and we haven't got enough food supply in case of war to last more than twelve months if we don't get China on our side. We must fight Russia in China.

The Child: You won't tell Wang Chunghui all this, will you?

Hirota: As a diplomat's son, I think it is time that you learned this. We diplomats never say what we mean, but all of us have learned to read each other's lies very accurately. Wang Chunghui hasn't got to be told.

The Child: How clever! But how are you going to call it?

Hirota: We are going to call it the ushering in of a new era of Sino-Japanese cooperation on the basis of "common existence and common prosperity" in the interests of the maintenance of peace in Asia and the world.

The Child: Oh, I'm all excited! How wonderful it all sounds! Where did you learn all this? Do they teach us at school to say awful things as beautifully as that?

Hirota: That is what the school is teaching you everyday in your composition class. But a diplomat is born, not taught.

The Child: Oh how wonderful you are, daddy! But suppose Wang Chunghui sees all that you really mean, and all his countrymen, too, and refuse to be helped by us, how are you going to capture the Chinese trade? What are you going to do about it?

Hirota: The Imperial Army will see to that.

The Child: But this is not really being friendly with China, is it? They will hate us all the more. Do you like the Imperial Army methods?

Hirota (quickly): Hush! Hush! Don't let anybody hear you. I think you'd better trot along and see the dentist . . . And don't throw your pencil-ends and strings about the floor!

(*The Child picks up his string and pencil-end from the floor, sticks them in his pocket and leaves the room. Hirota heaves a sigh of relief*)

Wang Chung-hui, referred to in this article is China's representative at the Hague Court. He is not to be confused with Wang Ching-wei, head of the Nanking Executive Yuan.

Dr. Jefferson Lamb Addresses Nanking Rotary Club

Dr. Jefferson D. H. Lamb, Counselor in the Ministry of Foreign Affairs of the National Government, gave an address at the Nanking Rotary Club last week describing the recent Government expedition of which he was leader, which has just returned from Tibet. He reported that commercially Japanese goods held first place among the foreign importations, Indian goods second and Chinese goods third. He also stated that the probable population of Tibet is not more than a million, although the figure five million is often given. Difficulties in transportation are chiefly responsible for the small quantity of Chinese goods consumed in Tibet, he said.

Professor Arthur N. Holcombe, Head of the Department of Political Science at Harvard University, is giving a series of lectures at Central University.

Dr. Ivan Lee Holt, President of the Federal Council of Churches in America, addressed the students at the University of Nanking and several other groups.

E. C. Carter and W. L. Holland, representing the Institute of Pacific Relations, visited Nanking last week.

Dr. George T. Scott, a member of the Associated Boards of the Christian Colleges in China, and Secretary for China of the Presbyterian Board of Foreign Missions, visited Nanking over the weekend.

Nanking Plans Relief for Unemployed Party Workers

In order to relieve the large number of unemployed Party workers, the Organization Department of the Central Party Headquarters has issued a circular to the various party organs throughout the country, instructing that measures be devised to provide work for the unemployed members in their respective districts.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep. Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,, Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,, Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,, Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr. Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep. ,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,, Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,, Lu-tai - - - -	,,		5.25	11.41	13.48	17.43	4.08		
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11		3.32	16.39	,, Tang-shan - -	,,	FROM SHANGHAI	4.15	10.30	12.50	16.37	2.58	FROM PUKOW	
13.39		15.17		20.47		4.20	17.14	,, Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,, Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,, Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,, Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,, Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr. Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep. ,,	arr.						21.26		
		16.25						arr. Shenyang (Mukden)	dep.						10.15		

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

Admiral Sheng Reports on Achievements in Tsingtao

Admiral Sheng Hung-lieh, the mayor of Tsingtao Municipality, in a report written for the *Chekiai* agency, says that Tsingtao, as the result of the gradual development during the past forty years, now ranks among the best developed cities and is considered one of the most beautiful scenic centers in the country. However, from the cultural point of view, Tsingtao is far behind, and no comparison can be made with some of the places in the interior, not to mention the great cities such as Peiping, Tientsin, Shanghai or Nanking. For instance during the fiscal year of 1931, the budget provision for education amounted to only $462,000, but for 1934 the sum was increased to $756,000. In addition, $200,000 had been appropriated for a new library; $40,000 for civic education; $60,000 for a new vocational school.

The foregoing figures relate to expenditure and accompodation. We will now deal with facilities in the way of equipment. "In 1934, supplementary to the budget appropriation, we spent $83,000 for new books and scientific apparatus for the various schools. We also established a great many of what may be styled mass education centres; and for the furtherance of physical culture, many playing fields, circulating libraries, newspaper display boards, broadcasting stations, revised playwright records, educational cinemas, series of popular public lectures, the direction and organization of new educational associations—these are in reality auxiliary to the already established schools, the objective being the extension of universal education," the report states.

In recent years the efforts of the Public Works Department have been mainly directed toward the following two items: namely: (a) Harbor and Wharf and (b) Means of Communication. In regard to (a), the most important work is the construction of No. 5. Mole. In 1932 a $3,900,000 contract was awarded to the Fu Chong Company for the building of the No. 5. Mole. Sixty per cent of the work has already be completed; it is expected that the entire work will be finished before 1936.

Construction of the New Dry Dock: Previously there had been no marine facilities of this character available in Tsingtao, and the work of repairing and reconditioning of ships had to be done in Dairen or Shanghai, which was a source of considerable inconvenience to shipowners. In 1933 a desirable site was selected in Ho Chi Road. The work of building the new dry dock was at once commenced and completed twelve months later. Now ships up to 6,000 tons capacity can be accomodated in this dock for repair work.

Naval Pier: This was formerly a wooden structure, but has now been rebuilt of cement, with a pavilion erected on the sea end. This work cost $281,000.

Extensions of new roadways in the City limits totalling 31,000 metres have been mad. Roads in the suburban districts were extended 288,000 metres. Mountain paths in the Laoshan district likewise were extended 41,000 metres.

During the last three years, in order to avoid abuse of the Land Regulations, they have been amended, whereby every site or plot of government-owned land may be leased for building purposes on the basis of tender only.

Forty-seven agricultural experimental stations have been established. fifty-nine farms having Government contracts to conduct certain experimental work. The existing system of irrigation has been materially improved, thereby effecting a more consistent distribution of water.

Besides the Municipal Hospitals, there has been built a Lepers's Home, and many clinics have also been established. In addition to the International Cemetery, land has been set aside for two new burial grounds.

A census of the whole population in taken periodically, with a view to checking up and excluding any undesirables. A new system of telephonic communication now embraces all the police stations. Wireless equipment has been installed where the use of the telephone is impracticable. An emergency motor-car squard has been organized; carrier pigeons are being used, and also police dogs. The water police have been furnishdd with motor patrol boats to facilitate their duties. In addition to the ordinary police force for the maintenance of law and order, there has also organized a special Peace Preservation Corps, the men being conscripted from the countryside.

Filipinos Not Satisfied With Proposed Independence Bill

Mamnel Quezon, President of the Philippine Senates, upon arrival in San Francisco, Mar. 14 stated that the tariff provisions of the bill under which the Philippines will gain independence will mean economic ruin to the islands. The Filipino leader expressed great dissatisfaction with the terms of the Tydings-McDuffie Act on landing from the Far East. "My people are not satisfied with this measures," Mr. Quezon said. "It will mean economic ruin."

Chinese Entrance to Manchukuo Restricted by Japanese

A TRAIN loaded with nearly 1000 Chinese packed in open freight cars passed through Tsinanfu Mar. 12 returning to the southern area of Shantung from the North. The passengers, all enjoying a free ride back to their homes, had emigrated from Shantung in an effort to enter Manchuria, but had been denied admittance. Faced with the propect of starvation, and with their funds exhausted, they appealed to Governor Han Fu-chu, who came to their rescue and provided a special train to transport them free to the railway stations nearest their former homes. The Japanese are taking precautions against the entrance of Chinese into Manchuria in view of the forthcoming trip of Emperor Kangte to Japan. Replying to Chinese reports that the Manchukuo authorities had stopped all Chinese from entering Manchuria, Col. Takahashi, Japanese military attache, declared the restriction is not being applied to ordinary Chinese citizens, but the Japanese authorities wished to prevent Chinese coolies going outside the Great Wall for fear that these people might turn into bandits. A proclamation was issued Mar. 18 by the managing-director of the Peiping-Liaoning Railway advising Chinese peasants and workers against proceeding to Manchuria at the present time. It was explained in the announcement of the Peiping-Liaoning railway that the authorities of the Kwantung Army have stipulated that Chinese farmers and laborers seeking entry into Manchuria should show concrete proof of their status by showing their tools of trade and papers certifying their profession before they will be allowed to enter Manchuria. In regard to laborers and farmers of lowly means, however, the Kwantung Army regulations state that even a paper certificate will not entitle them to the right to entry; thus all poor peasants and laborers are absolutely barred. Two reasons were given by the Japanese, according to current versions in Japanese circles, for the present action of barring Chinese from enrering Manchuria, namely (1) the unfavorable effect of the entry into Manchuria of large numbers of Shantung and Honan peasants on the immigration into Manchuria of Japanese and Korean subjects, and (2) the fear of possible disturbances by the working class in view of the forthcoming visit of Henry Pu Yi to Japan.

Diet Passes Yen 450,000 Kangte Welcome Expense Bill

Both Houses of the Diet March 16 passed the bill providing for an appropriation of Yen 540,000 to defray expenses in connection with the visit of Emperor Kangte of Manchukuo in April. Emperor Kangte will leave Dairen on a Japanese warship for Japan on April 2 and arrive at Yokohama on April 6.

Manchukuo Oil Monopoly to Be Enforced April 10

The Oil Monopoly Law, whose promulgation November 14 last was accompanied by a barrage of foreign protests, will take effect on April 10, the Manchukuo Government officially announced Mar. 18.

An Imperial ordinance dealing with the eforcement of the monopoly regulations and supplementary instructions on the sale of oil were expected to be issued during the week. The new law provides fot a strict governmental control of the exportation, importation, manufacture and sale of oils.

High Japanese Army and Navy Officers to Visit Manchukuo

Rengo states that high Japanese Army and Navy officers will visit Manchukuo this spring to acquaint themselves with actual conditions there. General Nobuyuki Abe, member of the Supreme War Council, left Tokyo for the new State on March 10. Upon his return, General Araki, former War Minister, and General Watanabe, member of the Supreme War Council, will visit Manchuria. General Hayashi, War Minister, has announced that he may also make a one-month inspection trip to Manchukuo. His projected trip, however, may be abandoned if the political situation so demands, an aide remarked.

Manchukuo May Send Representative to Moscow

Li Shao-keng, Governor of the North Manchuria (Chinese Eastern) Railway, will become the first Manchukuo envoy to Moscow, according to Changchun political circles.

Changchun Administration Report Pays Tribute to Japanese and Natives Who Lost Lives

Tribute to Manchukuo subjects and Japanese who lost their lives while defending the new state was paid Mar. 13, in a report released by the Changchun administration, which give 3,132 as the number of natives who sacrificed their lives to found the new Empire, 3,409 as the number of Japanese. Of the last figure, 3,279 belonged to the Japanese Kwantung Army, seventeen to the Japanese Navy Section stationed in Manchukuo, and 113 to the Japanese Embassy, the Kwantung Leased Territory Bureau and the South Manchuria Railway Co.

Volunteers Occupy Town on Sungari

The Chinese volunteers who recently interrupted the traffic on the Harbin-Chiamussu highway are reported to have occupied Fanchen, a small town on the Sungari River and about 120 kilometers from Harbin, according to a belated report from Harbin. The volunteers commenced to attack the town at 4 o'clock in the moning of March 9, and by noon on the same day succeeded in occupying it after quelling the resistance of the "Manchukuo" guards there. The volunteers who captured the town number about 800, and are under the command of Hsia Bin-tou, Li Hua-tan and Chow San-tsin. They are said to be well armed.

Japanese Officer Severely Wounded in Fight with Bandits

Captain Fukuchi, commandant of the Japanese Garrison forces stationed at Emu, 25 miles north of Tunghua, Kirin Province, was seriously wounded in a severe battle against a group of armed bandits in the northwestern vicinity of Emu at about 9 a.m. Mar. 6. The outlaws, numbering some 1000, offered stout resistance to the Japanese unit led by Captain Fukuchi, which defeated the bandits only after a hard-fought engagement lasting more than one hour and a half. While directing the Japanese troops, Captain Fukuchi was shot through the shoulder.

Bandits Make Unsuccessful Attempt to Wreck C.E.R. Freight Train Near Maoershanchan

Bandits have recommenced their train-wrecking activities on the eastern section of the Chinese Eastern Railway, after lying low for several weeks. A force of brigands pulled up the track on the bridge near Maoershanchan Mar. 15 and lay in ambush waiting to pillage a westbound freight train as soon as it was derailed. Their plans were frustrated, however, when a man walking along the track saw that the track had been cut and managed, by means of signals, to stop the train in time.

⁂

Forty Chinese Patriots Shot Dead in Harbin

According to a report of the Peiping correspondent of the London *Daily Herald*, 40 Chinese patriots were shot dead in Harbin beginning of this month, because of anti-Japanese activities. Before execution, the condemned, chained and tied with ropes to each other, were conducted through the main streets of the city of Harbin. Some of the condemned were hardly more than 16 years of age. One of them shouted: "Long Live China." Numerous spectators witnessed the execution.

Shanghai Tram Company Pays 13 Per Cent in 1934

It is announced from London that the Shanghai Electric Construction Co., which operates the Shanghai tramway system, will pay a final dividend for the year of nine per cent. This will make the total dividend for the year 13 per cent, as an interim dividend of four per cent had been declared last November. The annual meeting will be held next month.

Chartered Bank Will Pay Final Dividend of 14 Per Cent

The Chartered Bank of India, Australia & China will pay a final dividend at the rate of 14 per cent per annum, subject to income tax.

Shanghai Water Works to Pay Nine Per Cent

Directors of the Shanghai Water-works Co., Ltd., will submit to the annual shareholders' meeting on Friday, March 29, a report recommending disposition of $1,515,438.49 in such fashion as to pay total dividends on ordinary shares for 1934 of 9 per cent or 36 shillings per share on "A" shares, 7 per cent of 1s. 4.8d. per share on "B" shares and 8 per cent or 1s. 7.2d. per share on "C" shares.

Dr. Holcombe Discusses War and Peace in the Pacific, in Nanking Address

Dr. Arthur N. Holcombe, chairman of the department of political science of Harvard University, in the third of his series of public lectures on international politics at the Central University in Nanking, which was entitled, "Problems of War and Peace in the Pacific," cited two reasons for the belief of Americans generally in China's ability to fight out its own fate. First of these is the long history of the Chinese nation. Another reason given by Dr. Holcombe was the success of the nationalist movement under the able leadership of the late Dr. Sun Yat-sen, father of the Chinese Republic, whom Dr. Holcombe termed a "great statesman."

"China's revolutionary movement tolerates no dictatorship, and the revolutionary leaders all belong to the intelligent class. Furthermore, China's revolution has been made successful by making clear demarcations between the political powers of the government and the political rights of the people," Dr. Holcombe said. He added that although it is provided in Articles X and XI of the Covenant that, if necessary, the League may censure the aggressor by economic boycott or military force, the fact is that the European machine has never used its weapon; likewise, Americans realize that the Kellogg Pact, like the League Covenant, has met its Waterloo in the recent Far Eastern conflicts. The disputes in the Far East are in direct contradiction to the duties of the signatories provided in the anti-war pact; as such, it has also failed in checking armed conflicts in this part of the world, Dr. Holcombe said.

CHINA SENDS PROTESTS TO WASHINGTON CONFERENCE NATIONS

(*Continued from page* 111)

contractual and sovereign rights in respect of the Railway remain as intact as before.

"In conclusion, the Chinese Government emphatically declares that the transfer by sale or otherwise of the Chinese Eastern Railway which entirely lies within China's domain and the status of which is derived from China's special grant, is considered by the Chinese Government and people as an unlawful transaction without any binding force and further as an international delinquency in respect of which the Chinese Government fully reserves its rights."

Soviets Do Not Reply to China's Protest

The Soviet Government, despite repeated protests from the Chinese Government on the illegality of the sale of the Chinese Eastern Railway to Manchukuo, sent no answer to any of China's protests, including the latest sent several days ago.

Bitter Comment by Nanking Journal

The *Chao Pao* (Morning Post), one of the most outspoken papers in the Capital, expressed its surprise that Nanking lodged no protest with Japan! The paper expressed its pity for China; for China is one of the owners of the Railway, yet in the event of illegal selling away of the railway by Russia to Japan, China could do nothing aside from lodging protests. "Such protests," continued the paper, "were lodged with others, but no protest was lodged with Japan!" After pointing out many evidences showing that Japan is not only the "mediator," as they claim to be, but is the *de facto* "buyer" of the Railway, the paper cursed the Government for not holding Japan "responsible" for the transaction; but on the contrary, of "recognizing the status of Japan as the mediator." "The Chinese are merely doing some publicity work for the Tokyo Foreign Office. Nothing is more ridiculous than this," continued the paper.

Continuing, the paper pointed out the fact that in the case of the oil monopoly in Manchuria, despite the fact that Japan repeatedly declared that "it is Manchukuo's business, nothing to do with Japan," America and Great Britain still lodged protests with Japan. "But, unexpectedly," said the paper, "in case of the sale of the C.E.R., China has exonerated Japan from responsibility. Do we not think that the nations of America and Britain would laugh at us?" asked the paper.

We know that it is useless to lodge any protest with Japan. But now China has no courage to resort even to lodge a useless protest. It is a great pity indeed," concluded the paper.

Tokyo *Nichi Nichi* commented:—"Although the Nanking Government is scheduled to issue a statement addressed to all countries to a similar effect, the Nanking Government is not in a position to file a protest either with the Japanese or Manchukuo Government. The Nanking Government is in such a bad fix. It could file a protest with the Soviet Government only."

Japan Will Reply to Chinese Protest

Japan will reply officially to the Chinese memorandum, a high Tokyo official stated Mar. 19. The Japanese note will be sent at "an appropriate time" and will also be in the form of a memorandum, the official added.

Chinese Diplomats May Not Marry Foreign Wives

No Chinese diplomatic officers, either in China or stationed abroad, will hereafter be allowed to marry women of foreign nationalities, according to a decision recently made by the Ministry of Foreign Affairs.

Bank Willing to Let Chinese Have Sung Sing Mill on Payment of Debt

An agreement has been reached between the Chinese authorities and the management of the Hongkong and Shanghai Banking Corporation over the Sung Sing Cotton Mill providing that the Chinese authorities may take over the No. 7 Mill property on payment of $2,200,000 despite the recent auction.

19 Are Killed and 60 Wounded in Riot in India

Nineteen persons were killed and 60 wounded as the result of troops at Karachi March 19 firing on a turbulent crowd of Moslems following the execution of a Moslem for the murder of a Hindu. Thousands of excited Moslems, sweeping aside the police, rushed to the grave, exhumed the body of the executed slayer and attempted to carry it away in a procession. When the police attempted to intervene they were subjected to a barrage of stones and other missiles.

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Property Owners Favor Issue of Half a Billion in Bonds

A plan, involving the issue of $500,000,000 in bonds, was discussed at a meeting of more than 50 leading Chinese property owners held at the residence of Chen Ling-sun. when a new organization, known as the Commercial and Economic Association, was formed. It was proposed that the Government be asked to establish a title deeds depository where $500,000,000 bonds would be issued in exchange for mortgages. The bonds should be for a five-year term at an interest of 5 per cent per annum. In order to make the bonds negotiable, like banknotes, it was considered necessary to have 60 per cent. cash reserve in addition to 40 per cent. title deeds securities. Pending the solution of the question as to the securing of the cash reserve, a petition, asking the Government to act on the plan, it was announced, would be submitted to the leaders in Nanking.

Dr. H. H. Kung, interviewed regarding the property owners' plan, stated that he had not yet considered the matter. Several prominent Chinese bankers stated that in view of the huge amount involved, the realization of the plan appeared to be difficult.

Chang Kia-ngau, managing director of the Bank of China, gave the view that the circulation of this huge sum of bonds in the market would affect the financial policy of the nation. He regarded the scheme as one imbued with the principles of inflation, and doubted if the Government would subscribe to such an idea.

Another banker held the view that the five relief measures recently drawn up by the Chinese Chamber of Commerce, the Shanghai Civic Association, the Chinese Bankers' Association, and the Native Bankers' Association were more practical than the issue of bonds, and if these were faithfully acted on, the monetary situation would be eased. He pointed out that one of the measures was to allow the savings banks to deposit title deeds and land certificates in place of Government bonds and debentures, etc, with the Central Bank as security.

Dr. H. H. Kung, Finance Minister, in an interview with the *Shanghai Evening Post* expressed the opinion that "foreign friends of China should be willing "to help us both for our sakes and for their own." "In my opinion," said the Minister, "foreign countries must recognize that disaster to China, or specifically to Shanghai, would represent disaster to important interests of their own as well as to Chinese interests. It is obvious that there is much foreign money tied up here, as well as Chinese money, and that we all suffer in common from the effects of such influences as the American silver purchase policy. Therefore we Chinese hope, and I think reasonably so, that on anything which may give aid in the present situation we shall be able to count upon the cooperation of our foreign friends."

Senator Thomas Defends America's Silver Policy

Senator Thomas, leader of the senatorial inflationist bloc, in a statement in Washington, Mar. 11, said that Americans who are "trying to secure excessive profits by exploiting cheap Chinese labor are are the ones chiefly injured by America's silver purchase and they are howling loudest, perhaps, through other voices." "The business of Congress is to legislate on behalf of our own people, not on behalf of the peoples of other Governments," Senator Thomas added.

Kwangtung Plans to Stabilize Exchange

A number of important resolutions aiming at governmental control of foreign exchange and the stabilization of local currency were adopted by the Kwangtung Provincial Assembly March 14. One of the resolutions calls upon the Kwangtung government to prohibit the use of foreign currencies in domestic transactions. Another recommends the creation of a government monopoly for foreign exchange in order "to consolidate confidence in the local paper currency and prevent an economic invasion." A third resolution proposes the establishment of governmental foreign exchange bureaus in various districts and municipalities throughout the province, with the Kwangtung Provincial Bank acting as the head of these bureaus.

China Finance Corporation Shows Deficit of $1,797,202 for Last Year's Working

Milton D. Purdy, presiding as chairman of the board of directors at the annual meeting of the China Finance Corporation Federal Inc., U.S.A. March 14, reported that the accounts showed a deficit of $1,797,202,80, as the result of bad loans.

The chairman explained that when the present board of directors took over the control and management of the affairs of the company a year ago they soon discovered that a great many of the outstanding loans had greatly depreciated in value; that many large loans had been made to parties who were not financially responsible and upon collateral and guarantees which in many instances turned out to be practically worthless. The net deficit of $1,797,202,80 when deducted from the par value of the outstanding shares of common stock, to wit $2,797,202.80, leaves the common stock of the company at a valuation of substantially $1,000,000, the chairman explained; however, the company's prospects for the future are far from devoid of hope and encouragement, he added.

The following were re-elected directors for the ensuing year: Milton D. Purdy, M. Speelman, S. A. Seth, W. R. Johnson, C. H. French, J. A. Turner, H. F. Payne and R. H. Parker.

Shanghai Y.M.C.A. Celebrates 35th Anniversary

The Shanghai Y.M.C.A., March 16, celebrated the 35th anniversary of the founding of the association in Shanghai when a mass meeting of members and friends was held at the Memorial Hall of the new building at Boulevard de Montigny. The speakers on the occasion were Dr. Wellington Koo, Chinese minister to France; Sun Fo, president of the Legislative Yuan; Dr. Y. S. Tsao, general secretary of the Red Cross Society of China, who is chairman of the Shanghai Y.M.C.A. and K. Z. Loh, general secretary, who is the chief executive of the Shanghai organization.

Dr. Koo spoke on the subject, "International Y.M.C.A. Organizations—Their Meaning." China in her present state of national emergency, the speaker said, must necessarily support herself and develop an internal peace organization. Buoyed up by the sense of equity, justice and truth, the Chinese people will yet play a greater part in fulfilling the destiny of China. Y.M.C.A. organizations are one way of working out this desired end for the country, said Dr. Koo. The fact that the organizations stand for service, truth, light, and justice necessarily means that they are carrying out these principles in their deeds, and in turn this will have a most beneficial effects upon other forces which might be united, co-ordinated, and the peace forces are thus able to marshal more forcefully. China, therefore, takes up the challenge for equality through truth as a world force, Dr. Koo added.

Music was furnished by a band of the Municipality of Greater Shanghai and by representives of the National Conservatory of Music.

The Y.M.C.A. has issued an excellent booklet reviewing the history of the association in this city and giving photographs of the distinguished line of laymen who have served the organization during the past generation.

Dr. Mott Is Accompanied by Well Known American Editor

Accompanying Dr. John R. Mott, chairman of the World's Committee of Young Men's Christian Associations and of the International Missionary Council, is Francis Stuart Harmon, general secretary of the International Committee of Young Men's Christian Associations of the United States and Canada and editor and publisher of the Hattiesburg (Mississippi) *American*. Other members of the Dr. Mott's party are: Lester C. Haworth, general secretary of the Y.M.C.A. of St. Louis and a director of the International Committee of Y.M.C.A.'s of the United States and Canada; Mrs. Mott, Mrs. Harmon, Mrs. Haworth, and Miss Barbara Parker, secretary to Dr. Mott. Dr. Mott's present visit to Japan is in his capacity as chairman of the International Missionary Council to confer with church leaders on changes in the Far East and discuss plans for a world conference somewhere in the Orient in 1938. He will shortly come to Shanghai.

Mr. and Mrs. Harmon and Mrs. and Mrs. Haworth passed through Shanghai during the week on the *President Grant, enroute* to the Philippines. At Hongkong they were joined by J. W. Beaton, Metropolitan General Secretary of the Montreal Association, oldest Y.M.C.A. in North America. The party after a visit in the Philippine Islands will make an extensive tour among the Associations in China, Japan and Korea. While in Shanghai they were the guests of S. C. Leung, General Secretary of the Chinese National Committee, at an informal dinner party. They will be in Shanghai for a more extended stay late in April. Mr. Harmon is a graduate of the University of Virginia and of the Harvard Law School.

General Chiang Kai-shek Orders Creation of Public Graveyards

General Chiang Kai-shek, President of the Military Affairs Commission, has issued a circular telegram to the various provincial and municipal government, ordering the creation of public graveyards in all the rural districts under their jurisdiction before the end of the year. The order states that the present private graveyards must all be removed and that a tax ranging from one to ten dollars per year will be imposed on those unremoved after the expiration of the prescribed time limit. The proceeds from the tax, the order further states, will be appropriated as educational expenses.

Cartridges for China Seized in Peoria, Illinois

Illinois authorities at Peoria, March 12 confiscated two mysterious packages, disguised as bundles of Chinese newspapers, each containing fifty cartridges of 38 calibre, addressed to China. The sender disappeared before the contents were discovered.

Radio Corporation of America Pays Usual Quarterly Dividend

The regular quarterly dividend on the "A" preferred stock of the Radio Corporation of America for the first quarter of the year 1935 was declared on Feb. 15 by the Board of Directors.

Textile Committee to Investigate Flood of Japanese Cotton Goods into U.S.

Spurred by reports of a ten-fold increase in the importation of Japanese cotton goods, into the U.S., the N.R.A. Textile Planning Committee plans to begin an immediate study of the invasion of the domestic cotton textile market by foreign nations, particularly Japan.

Threatened Deportation of Prominent British Author

Evelyn John St. Leo Strachey, British author, was arrested at Glencoe, Ill., on charges that he had advised his lecture audiences to take the law into their own hands and overthrow the capitalistic American government. Mr. Strachey, infuriated by the arrest, declared he would fight the charges. No further action having in view his deportation is being taken, however, as Mr. Strachey had planned to sail for England anyway on March 29. The former member of Parliament and author of books on economic and political subjects continued his national lecture tour after he had posted bond of U.S.$500 given by Professor Robert Lovett, of the University of Chicago.

Senate Adopts Amendment to Work Relief Bill

The Senate Mar. 13 adopted an amendment to the President's work relief bill prohibiting use of any of the proposed $4,880,000,000 for the construction of warships. The amendment did not, however, specify that the funds may not be used in the improvement of army or navy posts and bases.

U. S. Federal Agents Arrest 1,219 in Narcotic Drive

The biggest round-up of illegal traders in liquor and narcotics in the history of the United States occurred Mar. 15 when the police, taking action from coast to coast, arrested 1,219 persons. Of this number 741 were charged with the illicit manufacture of liquor, 247 with peddling narcotics and 26 with counterfeiting. Six women were arrested at Washington, D. C. on charges of dealing in narcotics. The arrested persons include whites, negroes and Chinese. Altogether $1,000,000 worth of drugs was seized.

475 Drug Clinics in Whole of China

There are altogether 475 clinics for the treatment of drug addicts in China at present, according to statistics released by the National Opium Suppression Commission.

Four Chinese were ordered by the First District Court last week to be detained by the police on suspicion of being concerned in making heroin. The four men were arrested outside House No. 45, Lane No. 250, Range Road. The Police had seized more than 50 lb. of heroin and crude heroin.

Judge J. Helmick last week sentenced Paul Morgan, who is also a drug addict, to one month in Amoy Road prison when charges of vagrancy were brought against him in the U.S. Court for China. Judge Helmick remarked that it was unfortunate no institutions for dealing with such cases existed in Shanghai as they did in the United States.

Heroin Dealer Executed in Tientsin

Chang Ming-chi, a native of Honan who was arrested by the Tientsin police some some time ago on charges of dealing in heroin, was executed in Tientsin Mar. 15 by order of the Peiping Branch Military Council.

General Chiang Kai-shek, President of the Military Affairs Commission, announced at the enlarged weekly memorial service at the Provisional Headquarters of the President of the Military Affairs Commission at Chungking, Mar. 19, that all opium dens in Chungking were closed down during the past week. Efforts at opium suppression, however, must be continued without relaxation, he said.

The regulations governing the suppression of opium and punishment of offenders in Kiangsu province will come into force on April 1. Before that date, opium addicts may surrender to the authorities without being punished.

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(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

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Pan-American Line May Meet Obstacles in China

Confirming the decision of the Pan-American Airways to maintain a trans-Pacific air service between San Francisco and Canton, Liu Pu-chuen, a director of the Southwest Aviation Corporation, stated in an interview in Canton March 12 that the American aviation company has approached the Hongkong government for a stop in the Colony, but if the Hongkong authorities decline to accede to the request the Pioneer Clipper planes will fly direct to Canton.

The Shanghai *Evening Post* states that despite reports that Pan-American Airways is preparing to institute airplane service across the Pacific between the United States and China in July, there is still no assurance as to how regular landings can be made in China. The *Post* commented :—"This problem is not expected to be insoluble of course, because both the Americans and the Chinese want to solve it; but nevertheless nobody concerned seems able to work out a formula which will satisfy all the political and other requirements of the situation."

Proposal for extensive development of Midway and Wake Islands as trans-Pacific air bases was made in the House March 15 by Representative J. H. Tolan, Democrat, of California. The program advocated by Representative Tolan calls for the expenditure by the government of almost U.S.$4,000,000.

According to the *Osaka Mainichi*, a number of senior Navy officials believe that the United States Navy announcement granting the Pan-American Airways permission to establish flying fields on the Pacific Islands lacked propriety in view of the approaching disarmanent conferences.

Permission has been granted to the Quantas Empire Airways, a company in association with Imperial Airways, to carry passenger between Brisbane and Singapore. The outward service from Singapore to China will commence on April 17 and the inward service on April 22.

Asahi Newspapers Send "Goodwill" Plane to Nanking

The Tokyo *Asahi* and the Osaka *Asahi* two of Japan's leading dailies, sponsored an aerial goodwill flight by airplane to Nanking, March 20. Flights of similar nature to Peiping were made by the *Asahi* airplanes last year.

American Plane Flies With Robot Pilot

A mystery U.S. Army plane, manned by a robot pilot, made a three-hour flight over the Pacific March 13 and it was indicated in official circles in Oakland that the airship will attempt an "automatic" flight to Hawaii. Army officials are attempting to veil operations of the plane in greatest secrecy, but it was learned that several officers made the robot flight in the aircraft and probably will be aboard during the Honolulu venture.

New Ford Tri-Motor Plane Ready for Flight

A new Ford tri-motor airplane, recently assembled at the Lunghwa Airdrome, has been making its initial testflights, before being sent to fly over the new China National Aviation Corporation's airmail and passenger line from Chengtu to Yunnan via Kweiyang, capital of Kweichow. The new plane seats ten-passengers. Powered by three 500-horse-power Pratt and Whitney Wasp engines, it has a high speed of about 140 miles per hour and a cruising speed of 130-135 miles per hour. A large monoplane, it is fitted luxuriously and carries blind-flying and radio equipment.

Wiley Post Fails Again in Stratosphere Attempt

Mechanical failures for the second time March 15 blasted the hopes of Captain Wiley Post, famous airman, to span the continent. He was forced down at Cleveland eight hours and 13 minutes after he had taken off from Los Angeles to fly through the sub-stratosphere to New York.

Amelia Earhart as a Dollar-a-Year Aeronaut Expert

Amelia Earhart, America's premier aviatrix and wife of George Palmer Putnam, the publisher, was installed March 13 as a U.S.$1 a year aeronautical expert by the Bureau of Air Commerce of the United States Department of Commerce.

Britain Closely Guards New Air Defence Weapon

A recent telegram from London stated that a scientific invention, the nature of which is being kept a well-guarded secret, may be used by the British military and naval forces to counter aerial attacks provided tests now being conducted by well-known scientists prove successful.

Chinese Wins Honors in French Aviation Contest

A cable message from Paris states that Tsao Shih-ang, Chinese student aviator, was placed fifth in the recent non-stop air race sponsored by the French Government. With Lyons as the starting point, participants in the contest flew to Marseilles and Spain and then crossed the Mediterranean Sea to Morocco in Africa, returning to France via Constantinople. The race took 76 hours and 50 minutes, passing over 27 cities. The Chinese aviator was awarded a prize of 500 francs and highly lauded in the French press.

The prospect of autogiros descending on the roofs of houses was unfolded by Senor de la Cierva, the celebrated inventor of this type of airplane, at a meeting of the Royal Aeronautical Society in London, March 15.

U.S. Dirigible "Los Angeles" Damaged

The last of the U.S. Navy dirigibles figured in an accident at Lakhurst March 14 when high winds whipped the tail of the U.S.S. *Los Angeles* from her mooring mast. The tail swung free and was hurled to the ground. Damage was not great, due to the fact that the rear gondola stood most of the shock of the impact.

Nanking to Appropriate $1,000,000 for River Conservancy Work in North

In view of the serious flood situation in North China due to the collapse of the dykes of the Yellow River, Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, in a press interview announced that the Central Government had decided to raise an emergency fund of $1,000,000 for engineering work at Kwantai in southern Hopei, where the breach had occurred. Dr. Kung stated that unless immediate measures were taken to hasten repairs to the damaged dykes, it was feared that the Yellow River might change its course and force a new outlet into the sea through Tientsin. In that event, Dr. Kung said, many cities in the southern Hopei would be submerged and untold sufferings inflicted on the populace of the affected districts. In order to prevent such an eventuality, Dr. Kung further stated, the Central Government had ordered the provincial authorities of Hupei, Honan and Shantung and the National Econmic Council to devise jointly effective measures to strengthen the embankment of the River and restrict the flooded areas.

Mr. Coode Inspects Yellow River Dykes

The National Economic Council is despatching Mr. Coode, conservancy expert from the League of Nations, to Tsinan, provincial capital of Shantung. Accompanied by Pan Chin-fen, of the Shantung Provincial River Affairs Bureau, the League expert will proceed to Taochenpu, Puhsien and Fanhsien, in western Shantung, and Huahsien, along the Hopei-Honan border, to inspect the Yellow River dykes.

On the recommendation of the Ministry of Finance, it is reported that the Executive Yuan has authorized the continuation of the Yellow River Flood Relief Lottery for three more issues.

The Shantung Provincial Government has decided to remit $10,000 from the Provincial Relief Committee for transportation of refugees to the lower reaches of the Yellow River near Litsun, northeastern Shantung, for reclamation work.

The Hupeh Provincial Department of Reconstruction has placed an order in Shanghai for a dredger to deepen the Siang Han) River.

Several villages have been innudated in the vicinity of Kucheng district, southern Shansi, as a result of the collapse of more than 40 feet of the dyke of the Fengho (River) in that district.

An urgent appeal for funds to complete the breached dykes of the Yellow River in southern Hopei and to relieve the sufferings of the refugees has been despatched to Nanking.

Divorced Woman Murders Female Physical Director in Peiping School

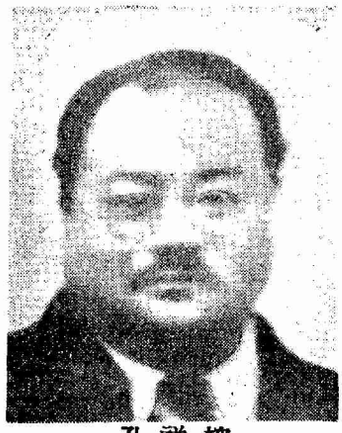
The Chih-cheng Middle School, a private educational institution in Peiping, was the scene of a sensational murder Mar. 16 when Miss Teng Shuang, physical director of the school, and sports correspondent of the *Shanghai Eastern Times*, was shot dead by a female visitor, Miss Liu Ching-kwei. Jealousy was the cause of her crime. Miss Liu claimed herself to be the divorced wife of Lu Ming, wellknown North China athletic champion, a former graduate of the Chiaotung University and now employed on the Peiping-Suiyuan Railway. She alleged the murdered women was chiefly responsible for her divorce from Mr. Lu and that the present drastic action was taken as a retaliatory measure.

Dr. H. H. Kung Entertains Yenching Alumni

Dr. H. H. Kung, Minister of Finance, was the host at a tea reception for members of the Shanghai Chapter of the Yenching University Alumni Association Mar. 18, at his private residence in Shanghai. Dr. Kung is honorary president of the Shanghai Yenching Alumni Club. Dr. John Leighton Stuart, President of Yenching University, Peiping, was present.

Who's Who in China

Shinag-yung Kung, river conservancy worker and Government official; born at Chufu, Shantung, 1889; was graduated from the Imperial College of Languages, Peking; had served successively as Director-General of the National Income Tax Bureau under the Ministry of Finance of the Peking Government; advisor to the Supervisor's Office for the Puyang Section of the Yellow River Conservancy Work; Director of the Yungting River Flood Relief Administration Bureau; Director of the Yungting River Flood Prevention Service Station and head of its Dredging Station; member of the Yangtsze River Commission under the Ministry of Communications and concurrently head of its General Affairs Department as well as member of the technical committee attached to it; chief accountant of the Treasurer's Department of the China Merchants' Steam Navigation Company; Head of the Business Department of the Hankow Bureau of Inspection and Testing of Commercial Commodities under the Ministry of Industry; member of the National Flood Relief Commission; member of the Technical Committee of the River Conservancy Work under the Ministry of Interior; member of the Yellow River Commission; now, he is holding the following posts: member of the National Yellow River Flood Relief Commission and General Supervisor as well as Director of the Engineering Department for labor relief work; executive member of the Yellow River Flood Relief Funds Administration Commission and member of the Standing Committee of the River Conservancy Commission under the National Economic Council; author of the following books: "Methods for the Conservancy Work of the Yungting River" and "A Compilation of the Official Conrrespondences Relating to the National Income Tax Administration," address: c/o. National Economic Council, Nanking.



孔祥榕
Shiang-yung Kung
(Kung Hsiang-yung)

孔祥榕年四十六歲，山東曲阜縣人。京師譯學館畢業。曾任北京財政部全國所得稅處總辦；黃河濮陽河工程督辦公署參議；永定河河務局局長；督辦永定河決口事宜處滹河工程處主任；交通部揚子江水道整理委員會委員，兼總務處處長，兼技術委員會委員；國營招商局會計科科長；實業部漢口商品檢驗局事務處主任；國民政府賑款委員會會員；內政部河道水利專門委員會委員；國民政府黃河水利委員會委員；國民政府黃河水災救濟委員會委員，兼總視察，兼工賑組主任；黃河堵口工款保管委員會主任委員；全國經濟委員會水利委員會常務委員。著有修治永定河方略，續治永定河方略，財政部所得稅案牘彙編

Judge Helmick Hears Additional Evidence in Hudec-Mark Case

Among the witnesses called in the U.S. Court for China during the week in the action in which S. L. Hudec, architect, is suing Great Mark orf $25,000 in connection with the building of the Grand Theater, were: M. Speelman, newly installed director of the China Finance Company and A. Loonis, a Belgian in the employ of the China Finance Company.

Myron Wiener made a special appearance in court for Mrs. Mark, a British subject, and mother of the defendant. When asked by Judge Helmick to give the court arguments and citations for his appearance he said he was there to debate the jurisdiction of the court over his client, Mrs. Mark. Mr. Allman, appearing for the plaintiff, questioned the procedure adopted by Mr. Wiener and claimed the entire procedure was fraudulent and calculated to defeat his client in obtaining his claim. Mr. Allman waved the specter of a possible contempt suit if the procedure were not amended. Judge Helmick, however, quashed him by insisting that his premonitions were entirely too premature.

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Men and Events

Dr. Chu Chia-hwa, Minister of Communications, arrived in Shanghai during the week to receive medical treatment on account of stomach trouble.

It is learned from the Ministry of Interior that three Japanese women were recently naturalized as Chinese citizens through their marriage to Chinese husbands.

C. T. Chen, son of Dr. W. C. Chen, chairman of the Shanghai Dentist Association, has gone to Japan for further study in the Tokyo Dental University.

The Tientsin Young Men's Christain Association Mar. 14 announced the completion of plans for the holding of a mass wedding ceremony in the first week of June.

The death occurred in England Mar. 12 of John Johnstone, who retired from China a decade ago after service as managing director of Messrs Jardine, Matheson & Co.

Professor Bernard E. Read delivered a lecture on "The Chemistry of Ancient Chinese Medicine" before the North China branch of the Royal Asiatic Society in Shanghai March 21.

The Pan-Pacific Association of Shanghai is sponsoring an excursion to Hsueh do-shan and other points during the Easter holidays, Friday, April 19 to Monday, April 22.

The ninth general annual meeting of the Chinese Mission to Lepers was scheduled to be held March 22, at the Sun Yat-sen Hall of the National Y.M.C.A. in Shanghai.

Dr. W. K. Nance, member of the medical firm of Dunn, Nanee and Hoffman, departed for the United States this week on vacation. Dr. Nance hopes to return to Shanghai in about three months.

Noel Coward, prominent theatrical figure, is enroute to Honolulu on the first step of a voyage to the Far East. His departure from Los Angeles was not discovered until after the ship had left the harbor.

The death occurred in Copenhagen Dec. 17 of Ove Lunn, Consul-General for Denmark at Shanghai. The late Mr. Lunn left Shanghai last November, with Mrs. Lunn, and was to have returned here in the spring.

D. J. Evans, formerly of the *Japan Chronicle*, has been appointed an adviser to the National Government Commission of Administrative Efficiency, recently established under the chairmanship of Wang Ching-wei.

Dr. J. Heng Liu, Director of the National Health Administration, who recently paid a brief visit to Hankow, has been appointed concurrently head of the Department of Medicine attached to the Generalissimo's Headquarters at Wuchang.

The Film Board of Trade (China) at Hongkong has declined to share any payment of the business tax with the local motion picture theaters and has decided to cancel the contracts if the exhibitors deduct their share of the tax out of the receipts.

Geo. F. Nellist, of the University Press, Shanghai, was ordered by Judge Helmick in the U.S. Court for China Mar. 14 to pay $100, the costs of his wife's action asking for a separate maintenance allowance of U.S. $300 per month. Mr. Nellist pleaded that he was bankrupt.

Miss Ruth W. Forney, Washington, D. C., at present in Japan, will shortly come over to China. Miss Forney, who is a writer of features and short stories, is a member of the District of Columbia branch of the National League of American Pen Women, and is on her way round the world.

The rank of a full Colonel was assumed by Karl Truesdell, Executive Officer of the 15th Infantry, in Tientsin last week. Colonel Truesdell, accompanied by Mrs. Truesdell, is leaving on March 29 in the Transport *Grant* for America where he will be stationed as a director at the Army War College.

Fred Henningsen, who was married in Shanghai to Miss Leona Jones shortly before Christmas last year, jumped from the third-floor window of the Hotel California in San Francisco Mar. 14, following a quarrel with his wife. He suffered a broken leg and a fractured arm, but is expected to recover.

The inexplicable simultaneous suicide Mar. 15 of five Chinese women in the New Territories is providing a difficult puzzle for the Hongkong authorities to solve. The five women who were busily engaged in reaping a crop of grain, suddenly threw down their tools and ran screaming to the river into which they leaped to their death.

Preparations are being made by the Chinese Womens's Club for the next Pan-Pacific Women's Conference to be held either in Canada or Japan in 1937. Mrs. H. C. Mei, honorary adviser to the C.W.C., who is now the first vice-president of the Pan-Pacific Women's Association, is expected to head the special committee to be appointed to take charge of the work.

A decree absolute was ordered last week by the Third Branch Kiangsu High Court in the divorce action between Willard Chai, former secretary to the Chinese delegation in Geneva and member of the Shanghai Bar Association, and Miss Woo Hsueh-li, as the result of an appeal by Mr. Chai. Mr. Chai lost his suit in the first hearing at the Second District Court some time ago.

The new Board of Governors of the University of Michigan Club held its first meeting last week when Prof. Henry Haizinga was elected chairman. Other officers elected were: Vice-chairman, Mrs. Phoebe Wong Lee; corresponding secretary, James H. Pott; treasurer, Y. M. Chang; secretary, Andrew Zee; social committee: Mrs. M. D. Li Hu, Mrs. Susan Chen Yang, and Herbert C. T. Lee.

Under the heading "N. H. Harkness, Jr., American Citizen Missing in North," the *Shanghai Evening Post* Mar. 20 published a telegram that Mr. Harkness had left Nanking for Shanghai Mar. 17 and not been heard of since. As a matter of a fact Mr. Harkness duly arrived in Shanghai, and has been staying at the Palace Hotel. He is a young man from Princeton University who is making a tour of China.

A. W. Beaumont, proprietor for a number of years of the *Shanghai Spectator*, departed for Japan on a Dollar boat Mar. 19. The *Shanghai Evening Post* intimated that he would continue his journey to America from Japan, and that his return to Shanghai in the near future was improbable. Mr. Beaumont has several prison sentences hanging over him in the Belgian court, which are now on appeal.

By order of General Huang Shao-hsiung, chairman of the Chekiang Provincial Government, Yu Kang-i, a suspect arrested in connection with the assassination of the late Shih Lang-tsai, owner and publisher of the *Shun Pao*, was handed over to the Chekiang Provincial High Court for trial Mar. 16. Yu was arrested at Pootung, across the river from Shanghai, some weeks ago and turned over to the Hangchow Bureau of Public Safety.

Mahatma Gandhi beginning of this month raised objection to the marriage of a wealthy Hindu and a 13-year-old girl, the bridegroom being 60 years of age. In a telegram addressed to the Pan-Indian Congress, the Mahatma registered a strong protest against the proposed nuptials on the ground that it was shocking that "a young girl should marry a man so aged." Grandhi recommended a boycott in order to prevent the marriage.

Dr. Charles E. Maddry, Executive Secretary of the South Convention Baptist Church, and Dr. Jesse B. Weatherspoon from the Baptist Theological Seminary, Lousiville, Kentucky, have returned from a visit to South China where they assisted in the transfer and control of mission properties from the American Board to the Chinese Baptist Board. While in the South, several millions of dollars worth of property, schools, churches, seminaries were handed over to local control, much in the same manner as with the local University of Shanghai (formerly the Shanghai Baptist College).

Reports that a massacre of workers occurred on the unfinished section of the Canton-Hankow Railway last week, which were later declared baseless, were sent from Canton Mar. 18. The report stated that 16 railway workers had been ruthlessly murdered by villagers and 43 others captured and were facing the same fate at the hands of the villagers in the Yunghsin district, near Laiyang, in south-western Hunan, who believe the railway builders had been killing innocent inhabitants as "sacrifices to the spirits, whom they wish to propitiate with a view to ensuring completion of the line."

Shanghai Municipal Council Draws Attention to Danger of Chinese Clothes

The report of industrial accidents brought to the notice of the Shanghai Municipal Council records that several case of serious injury to hands, arms, and legs were due to clothing being caught in gearing, shafting, or belts. Note is made of the fact that the Chinese style of loose clothing—the wide and short trouser leg, the short coat, and the long sleeve—is quite unsuitable for use in machine processes and regularly takes its toll. A particularly serious occurrence happened on February 18, when, on a metal rolling machine, a worker leaned over to adjust a water pipe. His clothing was caught in unguarded gears and a big wound inflicted on the whole of the back and thigh.

Restaurant Installed in New Floating Pontoon

Opening of the $120,000 double-decker pontoon for the ferry service operated by the Shanghai City Government Trust at Peking Road, took place Oct. 16, a reception being served in the floating restaurant which is a feature of the new structure. A large number of officials was present at the opening. They included Mayor Wu Te-chen, Dr. Shen Yen, commissioner of Public Works; J. K. Choy, commissioner of Finance; and General Yang Fu, commander of the City Defense Force.

Peiping Amateurs Present Chinese Play in German at Lyceum Theater

A group of German amateur actors and actresses from Peiping gave a highly creditable performance of "Pi Pa Chi", translated from Chinese into German by Vincinz Hundhausen, at the Lyceum theater in Shanghai Mar. 19. It will be repeated Mar. 26. The cast included Hans Riediger, Helene May, Suzanne Wang, Ottokar Schubert, Sophia Schick, Felix Skoff, Karl E. Schmidt, Hans Liau and Rudolf Bruhn.

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General Chiang Orders Ban on Unlicensed Western-Trained Doctors

General Chiang Kai-shak, President of the Military Afiairs Commission, has issued a circular order to the various provincial and municipal governments, prohibiting the practice of all unlicensed western-trained physicians and dentists in the respective provinces and municipalities.

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H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
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New Books of Interest in the Far East

Many Authors Discuss America's Recovery Program

American Recovery Program. By A. A. Berle, Jr., John Dickinson, A. Heath Onthank, Leo Pasvolsky, Alexander Sachs, Herbert J. Tily, Willard L. Thorp, Rexford G. Tugwell, Leo Wolman. Edited and with an Introduction by Clair Wilcox, Herbert F. Fraser, Patrick Murphy Malin, of the Department of Economics, Swarthmore College. Humphrey Milford, Oxford University Press, London, New York, Toronto. 1934. 8 *s.* 6 *d.*

America's Recovery Program is current history and he is likely to be best informed who reads the newspaper accounts of it faithfully from day to day. On the other hand it is not easy to see all the contemporary aspects of America's real but liberal revolution in their perspective or relationship. The book named above may be recommended to all who would like to acquaint themselves with the recovery measures as a whole. Its material is made up of nine lectures given under the Cooper Foundation at Swarthmore College in the last months of 1933. The first lecture, on the Recovery Program, is by John Dickinson, Assistant Secretary of Commerce; the second, on agriculture, by Rexford G. Tugwell, Assistant Secretary of Agriculture; Other chapters are: How Codes Are Made, Labor under the N.R.A. Economic Planning, Business under the N.R.A., American Monetary Policy, International Economic Policy, and Banking Reform. Not least in interest is the introduction by representatives of the department of economics of Swarthmore College.

The underlying note is the need of replacing the discredited "rugged individualism" that no longer works. In industry the small economic units are no longer rree to adjust themselves when "automatic adjustments" should take place. In agriculture mechanization has increased market crop production while consumption has fallen off and fewer farmers are needed than over before. Exchange is mainly in the form of bank credit circulating on the basis of checking accounts, yet when values boom this medium of credit increases out of all proper bounds, and fails when values fall. Consciously formulated governmental intervention becomes imperative under these circumstances. The chapter entitled How Codes Are Made illustrates in a very informative way that aspect of the recovery program with which the general public is most familiar—industry cooperating with government to bring what all must now recognize to be a real and lasting revolution.

The recovery program as dealt with in this book is too large and varied to touch with any fullness here. The first specific measures were taken to check impending disaster, as instanced notably in the bank moratorium of March 1933. The effort after courageous presidential leadership had carried the country through that crisis was to restore something of the normal working of the sadly disadjusted economic system. This has taken the form of an attempt to raise agricultural prices to aid the farmer and give him more purchasing power, and to do similarly for the laborer by decreasing hours and increasing the number of wage-earners. The Agricultural Adjustment Administration has looked after the farmer's needs at every turn, the National Recover Administration after the needs of industry. This second aspect of the program merges here into the third specific aspect, namely the attempt to set up a better economic system for the future. Here one enters upon the field of economic planning, regarding which there is much controversy. Alexander Sachs, former chief and organizer of the division of economic research and planning, contributes a chapter of 85 pages on this subject. The point is made that there need not and cannot be any rigid planning but that there must in future be more of a sense of direction, like that given by chart and compass. The improvement of labor conditions, the elimination of ruthless competition, the protection of investors, these gains must be made permanent, so that there shall be no return to old evils.

Whatever the criticisms that can be made of the recovery measures of Presideal Roosevelt's administration, one who reads this book cannot but feel that idealism and intelligence are being persistingly brought to bear upon all of the nation's problems and that the ultimate outcome of this united effort must be good.

D. R.

Cuba and the Latin American States

Problems of the New Cuba: Report of the Commission on Cuban Affairs, by Raymond Leslie Buell, Frank Dunstone Graham, Helen Hall, Wilson George Smillie, Lester MacLean Wilson, Frank Whitson Fetter, Ernest Gruening, Leland Hamilton Jenks, Charles A. Thomson, Milburn Lincoln Wilson, Carle Clark Zimmerman. Maps and graphs. New York, Foreign Policy Association, 1935. 523 *pages.* $3 *gold.*

Stories of the Latin American States by Nellie Van De Grift Sanchez. New York, Thomas Y. Crowell Co., 1934. 390 *pages, and maps.*

Since the Machado revolution of 1933 Cuban pessimism and unrest have been apparent to the most casual observer. Despite the efforts of the Roosevelt administration there has been considerable antagonism toward the United States, which centers about the belief that the American State Department attempts to make and unmake Cuban governments. This survey, the first of its kind of any Latin American Republic, represents a new approach to the problem of international relations. It is the response to an invitation extended on March 28, 1934 by President Carlos Mendieta of Cuba to the Foreign Policy Association, a non-governmental body in the United States devoted to education and research. With the understanding that the commission would be wholly unofficial in character and would work in complete scientific independence, the Foreign Policy Association selected eleven members for the Commission on Cuban Affairs. Those who served are experts in the fields of political science, economics, public health, sociology, finance, agricultural questions and public utilities.

The Commission visited Cuba in the summer of 1934. The recent revolution had destroyed many records and thrown government offices into confusion. Originally there were to have been Cuban members on the Commission; because of unexpected political developments and the advice of numerous representative Cubans, the participation of the Cubans was changed to private and non-official cooperation. The two objectives of the Commission were: to assemble from all available sources the relevant facts of Cuban life and to outline certain possible solutions for the principal economic and social problems of the country.

The report is arranged in chapters analyzing the social and economic structure of Cuban life, followed by four chapters giving programs of immediate relief, and the far-reaching suggestions for a soil and forestry program, land colonization and diversification. In a short review it is impossible to comment on the diverse subjects which have taken up the attention of the eleven investigators. To readers in China perhaps the most pertinent chapters are those on family organization, poblic health, education and social welfare. The family system, the housing conditions, the plans for "residence houses" will be of great interest here. The sections discussing elementary education and rural schools provide valuable suggestions.

To the American public and business interests this volume should give not only an understanding of Cuban conditions, but also an unbiased consideration of steps to be taken to inaugurate a better life for the Cubans and a new spirit between the two countries. To the reviewer it supplies a rich reservoir of illustrative material on the organization and social life of a small but twentieth century country.

To taken up the Sanchez book after reading the Foreign Policy Association's report on Cuba is to enter another field of writing. The author states in the preface her intention to give the history of the Latin American states for readers whose time is limited. The inevitable result has been very brief discussion, a lack of highlight and shadow, and an inadequate presentation of the real problems of the countries as they are at the present time. The work has been divided into two sections: the twenty independent states and the possessions of other powers—Great Britain, France, the Netherlands and the United States.

In view of the book discussed above, it is pertinent to observe how this book treats of the present conditions of Cuba. Two sentences deal with the general situation: "Since then (1902) the island has followed the usual course of Latin-American republics, with a succession of political disputes, disagreements, revolts and rebellions, including the uprising and expulsion of the President in 1933. Its future still remains problematical." Thus is explained the problem of present day Cuba.

A fair criticism of the book might be that it is very attractive in format but does not elaborate the picturesque detail or the biographical accounts sufficiently to be a good history book for children. It cannot be used as a serious reference book, and is obviously not so intended.

F. M. R.

Commercial Press Issues Book on Weights and Measures

Standards of Weight and Measures, by S.S. Chow. Shanghai: Commercial Press.

This is a 72 page volume, substantially bound, giving in both English and Chinese, data on the new Chinese standards of weights and measures (metric), together with comparisons with the old Chinese standard, with British, American, Japanese, Russian, etc. equivalents. The value of the book will be best illustrated by a few examples: Suppose we know that a board is 50 Japanese *shaku* long, how long is it in metres or Russian arshine? The answer is 15.15 meters; 21.30 arshine. How much is 20 English gallons in the new Chinese metric equivalent or in Japanese measure? The ansiver is 90.91 litres; or 50.40 Japanese *sho.*

Mrs. Pearl Buck Busy on a New Book

Mr. Pearl S. Buck, at present in the United States, is writing another book to be called "American Woman in China." It will be the record of her mother's life. It will contrast the American characteristics of pioneer spirit, independence and integrity with Chinese traits. Her mother was a missionary and lived in China for fifty years. After this book is published Mrs. Buck will take up the task of writing about America.

Soviets Hint at Demilitarized Border; Japanese Observe Caution

The possibility of an armed neutrality agreement between Japan and the Soviet Union along the Manchurian border was indicated in a statement in Moscow, Mar. 15 by Maxim Litvinov, Soviet Commissar for Foreign Affairs. The statement intimated that Soviet and Japanese troops may be withdrawn a specified distance from the border line if relations between the two countries improve, and especially if a non-aggression pact is signed.

Doubt was expressed in official circles in Tokyo, Mar. 16 that Japan will take any action on the plan of Maxim Litvinov, Soviet Minister of Foreign Affairs, for an armed neutrality agreement regarding the Manchurian border until all pending Soviet-Japanese questions are settled. As soon present questions between the two nations are worked out, Japan will be more than glad to get together with the Soviets on a plan for a non-aggression agreement and the establishment of a demilitarized zone, observers in Tokyo predicted.

Dr. W. W. Yen Arrives in Moscow

After an absence of over six months Dr. W. W. Yen, Chinese Ambassador to Soviet Russia returned to Moscow March 14. The entire staff of the Chinese Embassy turned out at the depot to greet him.

Mei Lan-fang and Troupe Get Hearty Welcome in Moscow

When Dr. Mei Lan-fang and his troupe arrived in Moscow March 12 they were met by the reception committee, prominent officials of the Commissariat of Foreign Affairs, and of the All-Union Society for Cultural Relations with Foreign Countries (VOKS); members of the Chinese Embassy headed by Wu Nang-ju, Charge d'Affaires; representatives of public and theatrical circles, and Soviet and Chinese newspapermen.

Dr. Mei accompanied by Professors Chang Pen-chun and Yui Shang-yuen, visited Mr. Arossev, Chairman of VOKS, in Moscow March 14. Dr. Mei also attended the performance of a new Soviet ballet called "The Three Fat Men" at the Grand Opera theater.

Replying to the greetings extended by the VOKS representative, Dr. Mei said: "My cherished dream has finally come true. I am here in the USSR!" The arrival and reception of Dr. Mei Lan-fang and his troupe were filmed by Soyuzkinokhronika. The cinema actress Butterfly Wu and cinema director Chou arrived on the same train with Mei Lan-fang. Miss Butterfly Wu is becoming in very popular in Moscow and expects to visit Continental Europe with other members of the Chinese cinema party.

Dr. Mei visited Lenin's Mausoleum and placed a wreath on the tomb Mar. 16.

The Soviet press hailed the arrival Dr. Mei and his troupe with much enthusiasm. Photos of Dr. Mei and Professors Chang Pen-chun and Yui Shang-yuen were printed in the Moscow papers, and also photos of the famous actor in his various roles.

Gold Deposits Discovered in Tajikistan

Layers, apparently containing auriferous sand, have recently been discovered in the plains of Tajikistan, a republic of the Soviet Union, according to reports received from Tashkent. A gold nugget weighing 32 grams was found not long ago in the valley of Tavil and Dore.

Lockhart Transferred to Peiping to Succeed C.E. Gauss

F. P. Lockhart, United States Consul-General at Tientsin, has been transferred to Peiping to succeed Clarence E. Gauss as counsellor of the American Legation. John K. Caldwell, who is at present in Sydney, will replace Mr. Lockhart. Mr. Gauss is scheduled to leave for Paris in the near future.

Sir Alexander Cadogan, the British Minister, made an official call on President Wang Ching-wei March 14. In the course of the interview, the British Minister expressed gratification over the gradual improvement in the relations between China and Japan. This is not only beneficial to the two countries directly concerned, he said, but also to the world at large.

Sir Alexander Cadogan, British Minister to China, paid a courtesy call on Hsu Mo, Vice-Minister of Foreign Affairs, Mar. 18.

Baron Guillaume, Belgian Minister to China, proceeded to Nanking from Shanghai Mar. 17 to attend the general meeting of the Board of Trustees of the Sino-Belgian Boxer Indemnity Fund Commission.

Peiping diplomatic sources state that the American Minister to China, Nelson T. Johnson, will leave for Nanking shortly to see Chinese authorities there.

Lin Ping, Chinese Minister to Cuba, who recently arrived here from Havana, called on Hsu Mo, vice-minister of Foreign Affairs, Mar. 18 to report on diplomatic affairs.

Dmitri Bogomoloff, Soviet Ambassador to China, was due to leave Moscow for China Mar. 20 to resume his duties here. He is expected to arrive in Shanghai early next month.

JUST PUBLISHED

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"There has been a great deal of material published about *The Puppet State of 'Manchukuo,'* since the 18th of September 1931, but, with the exception of the Lytton Report, probably no better survey of the whole issue in Manchuria as between this country and Japan has been compiled than a volume, just issued in English by the China United Press in Shanghai, with the title we have quoted above.

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299 Szechuen Road, Shanghai.

America's Silver Policy and Sino-Japanese Cooperation

BY CHEN FU-SHENG (陳福生)

PERHAPS one can hardly, on a hasty view, bring oneself to believe that there is relation between the question of Sino-Japanese cooperation and that of silver; but after a careful study of the Far Eastern situation, one will be convinced that these two questions are interrelated. The exodus of silver, caused by America's policy of buying silver, has given rise to an unparallelled financial crisis in China, paralysing the whole economic system and threatening the very existence of the nation. A drowning man catches at a straw. On the verge of bankruptcy, China naturally gropes for help.

The Lesser Evil

China has now but two possible courses to follow: letting herself die away or swallowing a bitter pill to preserve her life. Of two evils she naturally chooses the lesser one. To cope with her economic crisis, China is said last year to have asked for British financial aid but her request is reported to have been turned down. She has repeatedly asked America to change her silver policy but this wish has not, as yet, been complied with. No wonder she appeals for help to Japan that has lately shown disposition for reconciliation. Not that she loves Western powers less and Japan more but that she loves herself more. Not that she likes to deal with Shylock but that she can hardly find Antonio.

The Financial Plight

As a consequence of America's silver policy, China has sunk into an almost hopeless financial plight. The seriousness of the situation may best be indicated by the fact that various Chinese bankers and chambers of commerce have more than once clamored for Nanking's enforcement of relief measures. Some remedial measures, it is said, have been decided upon by Nanking authorities. What the measures are, however, is not yet disclosed at the time of writing.

Will America Alter Her Silver Policy?

With a view to tiding over her critical situation, China needs sympathy and help from her friends, especially her neighbor. Japan, we hear, has shown readiness to assist China on the condition that China will put an end to anti-Japanese activities. England, we understand, has led other Powers in approaching China with an international loan. What we hope of America is not so much her participation in the loan as a change of the silver purchase policy. America has won the goodwill of China in that she has proved not to be a friend of fair weather—she often lends China a helping hand at the very time when China needs her help badly. America, we earnestly hope, will add to the many favors she has done to China by modifying her silver policy. Walter Lippman, who strongly advocates a policy of realism in an article of his, appearing in New York *Herald-Tribune*, among other things said: "An objective survey is bound to lead to the conclusion that we have no interests in the Far East which require us to play the part of the solitary antagonist of Japanese imperialism." That America should not clash with Japan in Far Eastern policies we are ready to agree but we cannot subscribe to the view that America should wash her hands of Far Eastern Affairs. It is pleasant to hear that William Phillips, Under-Secretary of the State, has announced America's willingness to consider any international proposals of helping China; it is gratifying to learn that Dr. Alfred Sze, Chinese Minister to U.S., has reported the American Government's intention to alter phases of the silver purchase program in such a manner that they will not reflect adversely on China.

Some Criticisms in Vernacular Newspapers

Of interest in connection with the proposed international loan are some criticisms that appear in Chinese newspapers. The *Shun Pao* sees in the proposed international loan "another proof of the race for influence by the major powers in the country." The *Sin Wen Pao* points out that "the British and American interests in China are now being menaced by Japan prompting London and Washington to move by citing the Nine Power Treaty and the other multi-lateral treaties, a move which should have been taken shortly after the occupation of the Northeastern provinces." The Peiping *Morning News* urges the government "not to take poison to quench thirst." Whatever the comments, I wish to stress that China now must needs have foreign financial aid. It is true that a loan can help China and can also strangle China. It is also true that although we are thirsty, we should not drink poison to quench thirst. But no loan is without conditions. If the conditions do not greatly impair China's interests and infringe China's sovereignty and if the conditions do not have the effect of binding China hand and foot, China should, in my opinion, consent to these conditions. Likewise, I opine, China should cooperate with Japan and accept Japan's terms in case the terms are not too exacting. The gravity of the economic situation in China demands, on the part of all, a sane attitude. What concerns us more than anything else is disbursement of credit, should there be a loan or other kind of financial assistance offered to China by foreign powers. The credit, we wish, would be used for stabilizing the silver situation, for productive enterprises, not for military purposes.

International Loan and Sino-Japanese Rapprochement

A question arises, Will the proposed international loan counteract Sino-Japanese economic cooperation? My answer is in the negative. The suggested international loan, no matter whether it includes or excludes Japan, is not incompatible with Japan's proposal of helping China. There is no clash of interests, as pointed out by Cadogan, British Minister to China. No sensible Japanese, I presume, would be so unhappy as to think that the one excludes the other. China, economically depressed and financially handicapped, welcomes and needs the help of Japan as well as that of other countries.

To conclude, I would fain set forth some of my hopes. In the first place, I hope that the powers interested in the Far East will act harmoniously. Only by harmonious relationship can their respective interests be best insured. Secondly, I hope that America and Great Britain will take joint action regarding Far Eastern affairs. H. G. W. Woodhead in his snickering tale of the Hermit Crab, described America as the parastic crab hiding under the shell of the more powerful organism, British force and diplomacy, taking the sustenance from the British store but refusing to move on its own account. I do not think America is a parastic crab but I do hope America will abandon her policy of indifference and isolation. Thirdly and lastly, I hope that China will not, in view of the proposed international loan, reject Japan's offer. It may be recalled that shortly after the Mukden incident in 1931, Dr. Wellington Koo, the then Minister for Foreign Affairs, saw immediately the advisability of a direct settlement with Japan. His policy was endorsed by few Chinese and so a chance to settle the Sino-Japanese dispute was missed. Now that Sino-Japanese relations have just taken a favorable turn, China should not let go another advantageous opportunity to settle the anomalous situation in the Far East.

Foochow, March 12, 1935.

Five New Candidates Nominated for Shanghai Municipal Council

Eleven candidates have been nominated for the nine foreign seats on the Shanghai Municipal Council. The elections will take place on March 25 and 26. Present indications are that the new Council will have the same political complexion as the present one, namely five British, two Americans and two Japanese. The Americans have renominated the two present members of the Council, namely J. W. Carney and C. S. Franklin. The Japanese, despite previous agitation for increased membership, have only put forward two candidates, one being the present incumbent, T. Yamamoto; the other, T. Urabe, to succeed Mr. Okamoto, (who figured in the recent Sung Sing cotton mill auction). It is in the British membership that there will be the greatest shake-up, as Brig. Gen. Macnaghten, the present vice-chairman, and E. F. Harris are not candidates this year. Three British members of the present Council are candidates, namely H. E. Arnhold, chairman, W. P. Lambe and J. H. Liddell. The new candidates are: A. J. Hughes, a former member of the Council, H. Porter, V. St. J. Killery and L. R. Hossenlopp, the latter being a French citizen.

The British Residents' Association of China, the British Chamber of Commerce, Shanghai, and the China Association, Shanghai Branch, have issued a statement urging all qualified British voters to record their votes for the following candidates: Messrs. H. E. Arnhold, V. St. J. Killery, W. P. Lambe, J. H. Liddell H. Porter, (British); Messrs. W. J. Carney C. S. Franklin, (American); and Messrs. T. Urabe, T. Yamamoto (Japanese).

The *North China Daily News* in an editorial Mar. 19 endorsing the same five British candidates above mentioned said:—"The British community should mobilize its full voting resources with the clear intention of getting those British seats endorsed with such emphasis that their intrinsic value in British eyes is established without the peradventure of a doubt. Unless the British community in the mass shows that it really values its place in Shanghai and attaches importance to its interests here, there is every prospect of finding unpleasant interpretations placed on its crass apathy. It is positively scandalous, on the polling day, to find only a beggarly handful of 35 per cent of the British voting strength recorded. This failure on the part of so many British residents to do their duty is all the more reprehensible because the franchise implies an electorate of substantial civic importance."

Tsing Hua Students Released—Chancellor Guarantees Good Behavior

The Tsing Hua students, who were arrested by Peiping police last week were released Mar. 15 after a long examination at the Bureau of Public Safety and after the chancellor of the university had offered to guarantee their future good behavior. Before given their freedom, the students, who include two girls, both daughters of prominent families in the south, were warned not to participate in any Communist activities. It is reported that, during their examination, the students confessed that they made use of a study group to engage in secret communist activities. It is further stated that they evinced repentance and expressed a desire to turn over a new leaf.